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COORDINATION AND SIMPLIFICATION OF PUBLIC ASSISTANCE PROGRAMS: TODAY'S EFFORTS, TOMORROW'S SOLUTIONS

HEARING

BEFORE THE

SELECT COMMITTEE ON HUNGER
HOUSE OF REPRESENTATIVES

ONE HUNDRED SECOND CONGRESS

FIRST SESSION

HEARING HELD IN WASHINGTON, DC, APRIL 23, 1991

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COORDINATION AND SIMPLIFICATION OF PUBLIC ASSISTANCE PROGRAMS: TODAY'S EFFORTS, TOMMOROW'S SOLUTIONS

TUESDAY, APRIL 23, 1991

House of Representatives,
Select Committee on Hunger
Washington, DC.

The Select Committee met, pursuant to call, at 9:00 a.m., in Room B-318, Rayburn House Office Building, Honorable Mike Espy, presiding.

Members present: Representatives Emerson, Penny, Dorgan, Faleomavaega, Long, Gilchrest, Synar, Gilman, and Bustamante.

OPENING STATEMENT OF HON. MIKE ESPY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI

Mr. Espy. I'd like to call this hearing to order.

Chairman Tony Hall is returning from travels abroad, and he asked me to chair this hearing this morning. My name is Mike Espy, the member from Mississippi, and also Chairman of the Domestic Task Force for the Select Committee.

Good morning. In fact, we ought to call this Bill Emerson Day, because my colleague from Missouri has had a longstanding interest on this issue of One-Stop Shopping for Public Assistance Programs, and so we would like to thank Bill for suggesting this hearing and for his longstanding interest that we also share in this effort to simplify and coordinate public assistance programs.

We would also like to point out that Bill was instrumental securing the approval in last years farm bill for state demonstration projects for integrating the Food Stamp and Aid to Families With Dependent Children programs.

He also played a key role in initiating the Advisory Committee on Welfare Simplification and Coordination.

Our country has a long history, dating back to the 1930s, for providing assistance to those who need it. During the 1960s, we saw increased federal involvement in public assistance programs, new programs such as Food Stamps were added, and others were expanded. These programs have experienced numerous structural changes, and large increases in funding during the 1970s, and a need to simplify client eligibility became very evident.

However, it was not until the 1980s that this issue began to really take shape. In July of 1985, and again in September of 1987, the House Select Committee of Hunger held hearings on this very issue.

Since that time, coordination issues have been addressed, and language authorized for new public assistance legislation.

From time to time everyone needs a helping hand. For most Americans, the need for assistance is a temporary need, but the effects of poverty, or the presence of physical or mental disabilities may require long-term and multiple-support arrangements.

We, personally, have 75 fellow cohorts providing assistance in the form of federal care, cash aid, food aid, housing assistance, education assistance, job training and energy assistance.

These programs currently serve 3.2 million families and cost about $19 billion annually, and due to the social, demographic and economic changes in our society there is every indication that even more people will need assistance in the future.

There's also increasing concern about the affordability of support programs, as demands surge and budgets shrink. All these services are being limited, rationed or cut, with no new money on the horizon.

Further decisions may have to be made about how and where to cut services. Those decisions will involve costly and painful choices between needs, as we know. The price of helping those in need can be high, and so as we well know, so is the price of neglect.

However, we do supervise and find appropriate assistance to those in need. But more effective and efficient resource management and service delivery systems are in order. Eligible clients need more reasonable access to a streamlined, comprehensive range of services.

It seems that the policy-making and implementation process presents a set of barriers in itself, multiple decision makers and implementors that are involved in establishing and perpetuating policy, and each of these persons is influenced by a different set of rules and is susceptible to the needs of their constituencies.

Consequently, our country appears to have no comprehensive plan, no coherent policy, about how we can best respond to those in need. The result is that historically our policies have just been put together in an unplanned, seemingly haphazard, patchwork fashion. They are constrained with intent and sometimes contradiction.

Our task this morning, very simply, is to continue the exploration and coordination and simplification strategies for our public assistance programs, primarily, since this would be in the best interest of both the government at all levels and the client.

Those in need would be aided in their efforts to become self-sufficient again, and all levels of government could enjoy cost savings.

We are joined this morning by Representatives from the White House, the Congress, federal and state offices, and their presence speaks—about this issue.

We also have several Members here, several more to come, but I would like, before we start the witness portion of this meeting, to turn the microphone over to the Ranking Minority on this committee, Bill Emerson from Missouri, and any comments he wishes to make.

Mr. Emerson. Thank you very much, Mr. Chairman. I appreciate your kind words, and, first of all, I want to thank Chairman Hall and you, Chairman Espy, for your genuine commitment and in-valuable assistance in these efforts to help bring about simplification and coordination of our public assistance programs.

And, Mr. Chairman, I sincerely thank you for your support in this regard.

I'm particularly pleased that we are able to discuss today what I personally consider to be, consider to be, an extremely important concept, One-Stop Shopping.

You know well, though, that the Federal government operates a multitude of assistance programs. The counts vary depending upon who you are talking to, but I recently had the staff check as thoroughly and as assiduously as they could, and they tell me that there are as many as 125 different assistance programs to needy individuals if we count the social insurance type programs in the count.

These programs are in the bailiwick of 11 different committees in the House and the Senate, and I'm particularly grateful to have two very distinguished colleagues from the Ways and Means Committee here, who are concerned about this subject, and who are going to testify today, Ms. Johnson and Ms. Kennelly, because so much of the action in this arena has to do with subjects under the jurisdiction of the Ways and Means Committee.

These programs are in the bailiwick of 11 different committees in the House and the Senate, numerous Federal agencies, and in so many cases different state and local agencies have the responsibility for administering them.

Now, some of this is understandable because of the history, the background and the nature of these different programs. However, for major income and food assistance programs, a lack of coordination, and a resolution of the differences among the programs, is extremely troublesome, because, the beneficiary doesn't get the greatest "bang for the buck" which might lend itself to truly helping an individual in need, and in many cases, we would hope, to breaking the dependency cycle.

A critical national priority of this decade, it seems to me, surely must be to find the ability to engineer a more cost-effective means by which our public assistance benefits reach recipients. I firmly believe that in this nation of abundance, it's a tragedy for one child, one senior citizen, for any individual to go hungry. We are a generous country, and if the programs which we now operate don't provide the necessary help with constructive end results, we have an obligation and a responsibility to find out why.

In Fiscal Year 1988, for 18 programs which each spent in excess of $1 billion, to provide income tested benefits, the total federal expenditure was approximately $110 billion, and in FY '89 this figure went up to $119 billion, and in FY '90 the costs ran something like $130 billion.

In addition to these expenditures, we must also remember the financial responsibility of the individual states to many of these programs. These cost figures are cause for very real concern for a whole lot of reasons: taxpayer concern for the bill, and the level of effective benefits delivered, with what end results are only two of the concerns.

In this country, we do have people slipping through the cracks. We have far too many people who are lacking sufficient food to have proper nourishment. We have people lacking access to proper medical attention and to nutritional education.

Often times, our elderly live without proper heating or access to proper meals. We have young, unwed mothers who don't receive proper prenatal care, and, consequently, often give birth to infants too small to survive, or to be healthy, or to learn to their fullest capacity.

Our elementary schools are too often filled with children who are under-equipped to learn, because they haven't had adequate nutrition, and our older adolescents can't find employment to become self-sufficient when they need to enter the work force. Our young adults often lack the skills necessary to enjoy career development.

And yet, recently, five Chief Executive Officers of leading corporations in this country came before the Budget Committee and voluntarily testified. They requested to come and state that they are concerned about being unable to hire a trainable work force sufficient to meet their future staffing needs.

We must understand when a family unit is in need of help, their need often crosses program lines. Need for income assistance often means a need for food, for housing help, and for some help, in finding and keeping a job.

If a family or an individual is to break out of the welfare dependency cycle, it's most often necessary for him or her to receive coordinated assistance to prepare them for reentry into the work force and for regaining self-sufficiency—and self-respect.

The hurdles which families have to scale in applying for help are just immense. They often must travel to different agencies, meet different eligibility standards, and abide by different rules and regulations.

Often, they fill out qualifying forms which can be measured in thickness of inches, or have to be carried around in large bags. One state has more than 400 different applications.

While recognizing that we do need accountability in all of these programs, it's also true that in the type of bureaucratic environment that I have just described, the ability of those in need to finally receive assistance often reflects more on their stamina than on the efficiency of the programs.

Gaining a consensus on the issues involved in achieving even the beginning steps toward a One-Stop Shopping approach has proven to be difficult. It is hard for us to get our arms around these complex questions, but we are making some progress.

I'm pleased that this hearing will give us all an opportunity to learn from some of the successful federal and state initiatives, and I look forward very much to hearing the testimony of today's outstanding roster of witnesses.

Thank you, Mr. Chairman.

The **CHAIRMAN**. Thank you, Bill.

Tim.

Mr. **PENNY**. Thank you, Mr. Chairman.

I, just briefly, want to express my interest in this issue. Minnesota has requested and received authority to proceed with the coordination of the Food Stamp, A.F.D.C. and General Assistance programs for families in our state, that will be implemented within the next couple of years. And so, we have a keen interest in our state in doing a better job by these families. I'm anxious to hear this morning's testimony as to how we might follow the example that we see within several states on that basis.

The CHAIRMAN. Thank you.

Mike, do you have an opening statement?

Mr. SYNAR. No, Mr. Chairman, just this observation. In the packet, we have a description of all the various Executive agencies that are in charge of nutrition and feeding, which may clearly indicate the problem we have with the variety of programs.

If that wasn't bad enough, turn over and you see all the various committees in Congress that have different jurisdictions which may mean difficulties that we face in trying to solve the problem on this panel.

So, I look with great interest to this hearing today.

The CHAIRMAN. Very good.

Nancy and Barbara, if I could call you both to the witness table. We have two distinguished Members of Congress, both from the State of Connecticut, both serving on the Ways and Means Committee, both serving on that committee's Subcommittee on Human Resources, and we want to thank both of them for showing interest and showing leadership in the simplifying Aid for Families with Dependent Children Supplemental Social Security Income programs, and we'd like to invite you to make any statement at this point.

Barbara, we'll start with you.

STATEMENT OF THE HONORABLE BARBARA B. KENNELLY, CONNECTICUT, SELECT COMMITTEE ON HUNGER

Ms. KENNELLY. Thank you, Chairman Espy, and thank you other members for being here this morning and allowing me to speak to you.

As a Member of the Ways and Means Committee, I'm very interested in this concept of coordinating our public assistance programs in any way we can, and I commend you for holding this hearing. I sit in that exact same position you sit in as a member of the Human Resources Sub-Committee, and understand the need for what you are doing.

I also was a member of the Hartford City Council, the fourth poorest city in the United States of cities over 100,000, and I know about the terribly complex problems of AFDC, Medicaid, Food Stamps and Child Care, and trying to get to them when you need them.

Working through the maze of entitlement programs is so difficult that we, in Connecticut, have insisted that our Connecticut Department of Health workers go through months of training to understand these rules and regulations. That, in itself, says something. If a social worker has a hard time, can you only imagine what a person who was poor and suffering those burdens has to negotiate this complicated system.

While it's certainly true that the complex regulations place administrative burdens on the state, my concern, and the reason I am here this morning, is because of the inconsistencies among the many programs that I feel are ending up hurting the poor in many ways. For example, the first $50.00 from the absent parent going monthly to a child for child support, is an incentive for many things to happen. Particularly, it shows the child that there's another parent that possibly is concerned, there's a beginning of a responsibility there for the absent parent.

And, yet, when the person who is getting that $50.00, also has to deal with the rest of the program, we find out that the additional $50.00 is counted as income and substantially reduces her family Food Stamp benefit. This doesn't make any sense, and I'm sure this is the type of thing you want to look at.

In the area of child care, I worry there are too many funding streams—Title XX of Social Security, Child Care and Development Block Grants and Title IV-A, and we can go on. Each has different requirements, reimbursements and payment rates. What this means is that one family, moving through the system from dependency to self-sufficiency, can sequentially come under several programs, several sets of rules, different amounts of reimbursement are tied to where the child care money is coming from, not necessarily how much the family needs or what can be afforded at that time.

I am also concerned, and I have been for families in Connecticut for some time, that we are not taking advantage of the transitional child care under the Family Support Act. I sat in those chairs right over there for two years, putting hundreds of hours of time into the effort of making sure it was fully understood that a family cannot go from dependency to independence without that help in the transition of Medicaid and Child Care. I don't care who you are, you are not going to leave your child not well cared for.

And, yet, we find now families often eligible for this crucial service are not aware of the fact that they have to apply for it, or even, in fact, that it exists. It has not even moved its way into the awareness of those that need it most.

Last, as an example, I want to raise the issue of forms used to ensure that the clients receive all the services for which they are eligible. In Connecticut, the health department has attempted to streamline the procedure as much as possible, by creating a single application which the social worker uses to determine ineligibility for the whole gamut of public assistance programs. That application, I assure you, is long, but at least it serves to ensure that people get the appropriate services. What's the problem?

The problem is that Congress has made a move towards shortened forms. And, why is that a problem? Well, for instance, by mandating that there be a different, shorter application for pregnant women who are applying for Medicaid, we have made it virtually impossible for states to allow these women to apply for other very needed benefits at the same time. This becomes kind of counterproductive, and, yet, I think that it's something we can look at and do something about.

There is a difference between a very long form, very complicated form, or many forms, and a form that isn't just short for the sake of being short and can get the job done.

Anything we can do at the federal level to streamline the system would help assure that people receive the appropriate services with a minimum of hassle. Therefore, it's very essential that we look carefully at what we do, and this is the point of what I just made.

It's important to understand, of course, that the complexities arise, not only out of conscious decision-making for combinations of reasons why we do things, but also, limited resources, and different jurisdictions. But it seems to me, that we, should be able to bring together our efforts so that we don't have that unfortunate ending that having worked ourselves to death to do something good, have, in fact, complicated or really hurt what exactly we are trying to do.

The second reason we end up with different rules is cost, and this is something that I think we all can understand, and we know, as I said, about the limitations, but I think we have to understand that some of our discussions have to be centered so that we all are looking at the same thing in the same way.

Third, each public assistance program exists for two, linked reasons. One, of course, is to provide assistance to the poor people. The other, often unstated reason, is to discourage or encourage social behavior, and, of course, the classic example is not providing AFDC benefits to families with two parents, on the assumption that society should not be supporting able-bodied males through welfare.

In this case, there is a tension between encouraging work and breaking up families, and to the extent we encourage one over the other, we complicate the rules and end up with various public assistance programs with conflicting goals that all of us have been involved in this whole debate.

The bottom line of our social welfare policy, I'm sure is obvious. We have a clear message to give. We are trying to do our very best, but some way, somehow, it ends up in confusion.

I'm very much interested in what was just said by the Chairman and what was referred to as One-Stop Shopping, and simplifying the application process as much as possible, looking at how inadequate staffing may contribute to clients not receiving all appropriate benefits.

I'm also interested in examining some of the failures of the current system and correcting some of the problems that don't stem from flaws in federal policy, but rather from their implementation, and I lived through this just very recently. We had a very good study that had to do with children going to bed hungry, and no one wants to read a headline in their paper saying children in your town go to bed hungry. And, yet, as we examined why these children went to bed hungry, we came up with a number of reasons. We also found out, that a good majority of our schools were eligible for a breakfast program and a lunch program, and, in fact, that breakfast program and that lunch program existed.

Now, why was it that the child was not being directed to the breakfast and lunch programs, at least that meant two meals a day, and then we can start thinking about what was happening on the third. But, the program was there, the child was not being directed to the program, and these are the kind of things that you and I don't want to happen. We are here making just the opposite happen and the result ends up different.

Again, I thank you very much for inviting me. I think we are all coming from exactly the same place, but I think the fact that the bureaucracy has become overwhelming, the fact that it is almost easier to suffer rather than go through the process, the fact is that the paperwork is just—it's not only overwhelming, it's daunting, it's embarrassing for some people not to be able to see clear to what they are doing and how they are doing it. It's embarrassing to think, not only embarrassing, it stops somebody for going for the care that they need and that they want, and I think this is something that we have to look at. I would almost give you some other advice. I know it's wonderful to have Ms. Johnson and I here, members of the powerful Ways and Means Committee, but I almost think it might do you some good to go back to the districts and speak to some of our case workers there who deal in this day in and day out. I would take it a step further, and go to some of the centers. We have become ombudsmen, as Congress members, and have these people that we depend on so much, Medicare, Veterans Affairs, Medicaid, to help us through the morass of what has built up.

We find now social agencies, senior centers, having people come in who are able to somehow get through this paperwork, and they understand what we've done wrong. So, I would suggest that after the committees do what they are doing in Washington, to go out into the hinter lands, to go see something in North Dakota, someone who is working day in and day out with mistakes we didn't mean to make but have happened, and let them tell you how better we could do it.

Thank you very much for having me. I ask that my own testimony be placed on the record.

The CHAIRMAN. Without objection, it certainly will be included and made a permanent part of the record of the hearing. Thank you, Barbara.

[The prepared statement of Representative Barbara Kennelly appears at the conclusion of the hearing, see p. 65.]

The CHAIRMAN. Nancy Johnson.

STATEMENT OF THE HONORABLE NANCY L. JOHNSON, CONNECTICUT

Ms. JOHNSON. Thank you very much, Mr. Chairman, and Mr. Emerson, and members of the Select Committee on Hunger.

I appreciate your holding this hearing today. I also appreciate the difficulty of what you are trying to undertake. While the remarkable number of programs, regulations, forms are in many ways now frustrating, the achievement of the goals of the bills that we have debated and passed simplifying the system isn't going to be easy, because its complexity is not the result of malice or ill-will, either on the part of legislators who passed the laws, or administrators who are working to implement them on the federal, state or local levels.

And, we are going to have to, in a sense, straighten up ourselves and be willing to say that in the interest of simplification, and, therefore, in the interest of access, that, in fact, we are going to have to let some groups have access that maybe we didn't intend to one program, although they have access to another.

I mean, there are going to be things that are going to be hard for us to swallow, both in terms of opening up and closing down, if we are going to simplify and regularize this system in a way that makes it more functional and helps it to achieve the goals that we share.

Developing sound policy is not just a matter of money. It is also a matter of delivery of services, and in the latter arena we have done so little oversight, and we have been so reluctant to deal with some of the difficult policy issues that arise from the conflicts that have developed in the implementation of these programs, that, indeed, we are in some ways doing a better job of providing money than we are of providing services.

And, at this time of tight budgets, where every dollar is tough to get, it really is incumbent upon us to do exactly what you are doing.

I, too, as Barbara, have spent a lot of time with my front-line people, and if, over the course of your investigations, you know, you need input, we've got a lot of it, and we're one of those folks out there that would be happy to send things out to our contacts and get comment back, because it's not going to be easy. I admire what you are doing. I back what you are doing, and we have absolutely got to succeed.

On the Ways and Means Committee, in our hearings on the extenders, we had someone stand up yesterday and hold out—line out all of the application forms for the low-income housing tax credit, an impossible program, a wonderful objective, one of the few things that's working, and it's no wonder we don't have broader participation, we make it almost impossible.

So, we are, really, this arena in which you are working is an extraordinarily important arena, and I congratulate you for having the courage to take it on.

As a member of the Human Resources Committee, I, and my colleague from Connecticut, we all sit in these very same seats, and we are working on a similar problem in the area of foster care. Our foster care system is being positively overwhelmed. The problems are extraordinary, and, yet, our law directs money through an entitlement process for children who have been placed in foster care, and caps the resources for preventive services. So that, our states are hamstrung in terms of providing those services that would prevent family break up, they've got unlimited access to our dollars if they want to out place children, break up families, and be left with a much more difficult problem of reentry, and restructuring, and recreation of healthy families.

So, in that area, we are working. We have introduced regulation, we are trying to turn around laws and administrative structure, so that they will be preventive, so that they will be holistic, so that they will be simpler, and so that we can better serve children and families.

In another area, in the Community Health Service Network in Connecticut, we have been providing One-Stop Shopping, and I believe that might be of help to this committee.

We have a program called Healthy Start. It's a joint venture between the Department of Health Services in Connecticut, and our Department of Income Maintenance, which serves our welfare-dependent community, and it has enabled, Healthy Start has enabled community health services across the state since January 1st of

1989, to act as service delivery centers, not only for maternal and child health services, but also for nutrition programs and other necessary help. Pregnant women and children up to 18 months old can go to their local community clinic, receive medical attention with benefits, substance abuse counseling and other services under one umbrella.

And, if a particular service is not available at that clinic, information, and referral, and tracking, and follow-up is supplied. Moreover, the clinics also act as data collection centers, and are able to provide now much better client demographics and vital statistics to state and federal managers in a single report.

Such information is indispensable in assessing the progress of federal programs and tailoring them to the needs of low-income families in the future.

Because Healthy Start is making such a great difference in Connecticut, I have incorporated that concept in my Health Equity and Access Today Act, my H.E.A.R.T. act, which is a healthcare reform bill.

But, I think it's relevant here, because if we are going to recreate a structure that really addresses the healthcare needs of the poor, it has got to be a structure through which we can also feed this kind of reform, because health is not an isolated entity, it is nutrition, it is mental health, it is support, it is preventive education, it tells people about smoking and weight control and all those things, and I am delighted to see the community health centers in Connecticut becoming more and more One-Stop Shopping for families, and providing an avenue through which weight control programs for teenagers, you know, anti-smoking programs for people of all ages and so on, are being funneled, and that's why in my health Care Reform Bill I do emphasize so much the community health clinic approach, because not only can it provide that user friendly family-oriented support system in the cities, but it can recreate in the rural areas an infrastructure that is really gone.

So, you have a lot of people in the rural areas eligible for Food Stamps, eligible for nutritional assistance for pregnant women, but removed from the service system through which those benefits are distributed. Not only are they broken up, but there's no mechanism, and the community health center movement ought to be capable in every small town to sometimes, on a kind of an itinerant creature schedule, to provide that kind of holistic benefit access that is so important to realizing the objectives of the programs that we have funded and started here in Congress.

I would certainly be remiss if I did not commend the Secretary of the Department of Health and Human Services, Secretary Sullivan, for his recent decision to reorganize the Department of Health and Human Services, so that the administration for children and families will emerge from the old family support administration in the Office of Human Development Services. I think that's a step in the right direction.

The extent to which we can coordinate our activities, we can combine programs, perhaps, even trade committee jurisdictions, so that there will be more unity of focus in our process as well as the Executive Branch's process. Those two should be a part of your consideration.

How should we reorganize our own committee structure to accomplish the goals that you have put before you today? We are part of the problem. We are part of the solution. We are key to both, and we have to take responsibility on all fronts.

I just want to close by saying that I really deeply appreciate what you are doing. As I travel in my district over the last few years, I am increasingly distressed by the extent to which new drug money is going out to my district for new administrative purposes, not for new substance abuse treatment.

I am deeply distressed that now, as opposed to eight years ago, you cannot track a job training program as it goes through the administrative network anymore. You used to be able to follow the darn thing, you could see what problems were developing, you could tell who was going to be helped and who wasn't. Now, so many new layers of administrative complexity have been added, sometimes as a result of our efforts to achieve coordination, that we are more and more frittering away various scarce resources into administration.

And, if you can make sense through simplifying these programs, and better integrating them in the congressional process and in the Executive Branch process, you will make a contribution that will last for decades, and that will have more impact than another $100 million in practically any one of the systems that we care about.

So, I commend you on your courage in taking this on. I wish you well, and I would be happy in any instance that you feel it might be useful to try to get input from northeast front-line folks to evaluate proposals that you have.

Thank you very much for listening to us. For some of us, what you are doing is possibly more relevant than most anything going on the Hill. Thanks.

The CHAIRMAN. We thank you Nancy and Barbara, for your comments today.

[The prepared statement of Ms. Nancy L. Johnson, appears at the conclusion of the hearing, see p. 63.]

We know that both of you have pressing engagements, and we certainly will include your testimony as a part of the record without objection, and we won't impose on you by asking you to remain at this hearing.

Thank you.

Mr. EMERSON. Thank you both very much.

The CHAIRMAN. While we call the second panel to the table, I would also like to announce the presence of our colleagues, Wayne Gilchrest and Jill Long. Thank you for appearing.

If you have any statements or any item that you would like to introduce at this time, we would certainly receive it.

Mr. GILCHREST. Thank you, Mr. Chairman.

I would just like to say that this idea of streamlining the morass of the welfare system is one of the major goals of the House. I'm very happy to be on this particular committee and to be a part of this change. I guess when we approach this problem, we, perhaps, should look at how to streamline the welfare system the same way we would look at any individual, as one of the whole range of human needs. If we can decide on the list of the whole range of human needs and then incorporate that into this concept of One-

Stop Shopping, I think we'll go a long way in providing what everybody needs, and that's a sense of security, a sense of dignity, and some incentive and motivation for living and getting better. I think this One-Shop Stopping concept can do that for individuals who are in need, and will go a long way in providing a successful life for people.

And, in doing this, I think to go one step further, an issue which has been brought up here so eloquently, is the need for a weaning process, in the system; that if persons get to a certain income level they should not be cut off, and they can be ensured of a sense of security that everybody needs in order to be productive citizens.

So, Mr. Chairman, I've very happy to be on this committee, and I look forward to the testimony. Thank you.

The CHAIRMAN. Thank you.

Jill, do you have any statement you'd like to make?

Ms. LONG. Thank you, Mr. Chairman.

As you know, several weeks ago we held an official hearing in my congressional district. As part of this, we visited several sites of those who help individuals and families that have hunger and other needs, and in one of the counties that we visited, we visited a site that has a One-Stop Shopping approach. It is working very, very, cost effectively and it certainly is helping the people who have the need.

I also think that one of the biggest challenges we face as a federal government and as a country is streamlining the bureaucracy and eliminating duplication of effort and waste in the bureaucracy. So, I think that this hearing today is very much needed. It's certainly timely, and I appreciate very much the witnesses who are here to help give us their fine testimony.

Thank you.

The CHAIRMAN. Thank you, Jill.

Mr. EMERSON. Mr. Chairman, could I be recognized for just a minute?

The CHAIRMAN. Certainly.

Mr. EMERSON. I wanted to say I'm sorry that the two witnesses that we have just heard couldn't stay, because I really wanted to compliment them most sincerely on the very, very valuable testimony that they have given.

I think that those two statements were some of the most profound statements that we've heard in the life of this committee, and the importance of it is that both of those gentle ladies are on the Ways and Means Committee which does, indeed, have the ultimate jurisdiction and where so many of our social welfare programs are structured. I'm just delighted they have the level of interest, and concern, and compassion they do on this subject, because I think that they, of all people, can really be instrumental in making things happen.

In addition, on this very Committee, the Chairman of the Full Committee is an important member of the Rules Committee. The Chairman of the Budget Committee is on this Committee. There are important Members of the Ways and Means Committee on this Select Committee on Hunger, and on Agriculture, and Education and Labor, and so many others.

And, when we can get the attention of the appropriate legislative committee to look at this in a detailed way, rather than in a cursory way, then I think we are going to begin making progress.

And so, I think it was very significant to have Ms. Kennelly and Ms. Johnson with us this morning. Their statements were really right on course.

I would have said to Ms. Kennelly, if she had remained, that this subject is one we've been looking at for five to six years. When she made suggestions that we take a look at what some of the states are doing, what some of the state officials' attitudes are, what some of the beneficiaries' attitudes are, we've been doing that all along for the last five or six years. We've even had GAO studies on this subject in order to try to make some sense out of things.

So, it's not as though, we as a committee, are coming late to the subject; we've been at it for a long time. And, I would also agree with Nancy. I think all of the programs we are talking about have been very well-intentioned. It's just that after a long period of time, some of these programs go back 35, 40, 50 years, they need to be honed in on, and a new modern day sense needs to be given to them.

For some reason, Congress keeps passing laws, the bureaucracy keeps making regulations, and, ultimately, we are so burdened by the paper that we don't know what the purpose of the program was in the first place.

A very good point Nancy and Barbara both made was about bureaucratic heaviness, if you will, the impact of bureaucracy in achieving the desired results.

I just wanted to be on record as to how pleased I am and how valuable I think the testimony of our two preceding witnesses has been.

The **Chairman**. I couldn't agree more. We turn now to our second panel, Ms. Anna Kondratas, Catherine Bertini and Howard Rolston, and we, of course, remember Ms. Bertini from a hearing we had in Missouri in Mr. Emerson's district. We appreciated her testimony then, and appreciate here presence now.

Ms. Kondratas is the Assistant Secretary for Community Planning and Development for the Department of Housing and Urban Development (HUD). One of her primary responsibilities is managing HUD's community development programs.

This morning, Ms. Kondratas is also representing the White House Economic Empowerment Task Force, of which Secretary Kemp is the Chair.

It's my understanding that the task force was designed to enhance coordination of public assistance programs by providing a kind of One-Stop Shopping, or uniform point of contact for states who desire to coordinate and simplify their programs.

Ms. Bertini is the Assistant Secretary for Food and Consumer Services at the Department of Agriculture. She is responsible for the development of national nutrition and consumer policy. She manages the Food and Nutrition Service that administers 13 domestic food assistance programs, including the Food Stamp, National School Lunch, Commodity Supplemental Food, and the Special Supplemental Food programs for Women, Infants and Children, otherwise known as WIC.

From the Department of Health and Human Services, we also are joined by Mr. Howard Rolston, who is the Associate Administrator for the Office of Program Evaluation in the Family Support Administration.

As such, he is responsible for managing and coordinating legislative regulatory and research activities.

I would also like to note that Mr. Rolston played a key role in the development and implementation of the Family Support Act. We appreciate that.

So, I'm pleased that all of you could be here with us this morning, and whichever one would like to go first, we'd invite you to go first.

STATEMENT OF THE HONORABLE S. ANNA KONDRATAS, ASSISTANT SECRETARY, COMMUNITY, PLANNING AND DEVELOPMENT, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ON BEHALF OF THE WHITE HOUSE ECONOMIC EMPOWERMENT TASK FORCE

Ms. KONDRATAS. Thank you very much, Mr. Chairman. I'll begin.

It's a pleasure to have the opportunity to speak on behalf of Secretary Jack Kemp to offer testimony on service integration and simplification of public assistance programs designed for the poor. On August 16, 1990 the President approved a Domestic Policy Council decision memorandum creating the Economic Empowerment Task Force, of which Secretary Kemp is the chairman. In the Secretary's absence, I represent him on that task force and I coordinate the efforts within the Department of Housing and Urban Development in this area. One of the many topics under consideration by that task force is service integration, and because of the scope of its responsibilities, the Department of Health and Human Services has been given the lead in developing an action agenda for the task force in this area.

Today, I will describe briefly the concept of integrated services, the problems this approach is designed to solve, and the benefits of integrated services, the philosophy behind the activities of the Economic Empowerment Task Force. I will also cover the actions undertaken at HUD. Finally, I will summarize obstacles to integrate services and some recommended approaches to overcome them.

At a minimum, integrated services are improved coordination of services at the local level. This may include providing improved information to clients about the kinds of services that they may need and the requirements for receiving these services.

Integrated services could also involve simplification and reconciliation of diverse procedures and eligibility requirements of several programs. This may occur at any level of government. Such simplification and reconciliation could involve changes in regulations or in the law.

At best, integrated services represent a holistic approach to client needs where an integrated array of services are delivered at common locations. Integrated services may also involve the addition of a fuller range of services within, or easily accessible to, facilities which have traditionally had a rather narrow set of purposes. An example would be the inclusion of a wide range of social services at public schools and public housing facilities.

It may involve mechanisms, such as vouchers, which give the poor greater personal choice in the services they utilize. This will move more power into the hands of the poor from service providers.

For a variety of reasons, there is a mismatch between the needs of the poor and the capacity of a fragmented and poorly coordinated social service system. Service integration is one attempt to address these problems.

There are many federal, state, local and private programs to serve the poor in a given community, each of which has its own eligibility requirements, funding mechanisms, regulations and informal organizational operating style. The poor are confused with the complex and diverse requirements of these programs. Overly rigid program structures get in the way of providing effective local services to meet the diverse needs of the poor. These services are offered at widely varying locations and are often inaccessible to the poor who have less mobility.

Many of these separate programs develop their own professional training, codes of ethics, certification requirements, and other approaches which makes cooperative and cross-program integration difficult in dealing with the problems of single-family or individual needs. Often these diverse programs develop their own constituency and are competitive with one another for funds and manpower. They are often resistant to change.

These services are frequently either partially overlapping or there are gaps in services that no one is providing. Each program may conduct a separate eligibility investigation of a single client or family. This leads to a waste of staff time.

Many federally supported facilities, such as housing for the poor, historically have had little or no services to deal with multi-faceted problems of residents. They offer little opportunity to remove the poor from the condition of poverty. Housing alone is not enough to deal with the problems of the poor.

Often programs are poorly meshed. One program might be ineffective because it depends on another one, which has failed or is poorly coordinated. Typically, the services are narrow and fragmented. However, the problems of the individuals and families living in neighborhoods and housing projects are multi-faceted. They cannot be solved by single-purpose and short-term interventions.

Experience with integrated services over a period of 20 years shows us that there are a number of solid benefits to simplifying programs and providing integrated services. There are also a number of potential benefits which may not yet have been fully realized. Among these benefits are increasing access of the poor to benefits to which they are entitled, a reduction in welfare dependency through holistic self-sufficiency efforts, expanded flexibility for states and localities, empowerment of the poor to the extent they are provided choice among services and providers, and reduction in duplication of efforts of providers.

Improved and integrated services increase access to, and utilization of, a full range of services and potentially improve outcomes for the poor. In the long run, integrated services could have an effect on reducing the dependency of the poor on the welfare system. They may make it easier to accomplish the self-sufficiency goals of the Family Support Act and other welfare reforms.

Simplifying program requirements and providing service integration would give the states and localities more flexibility in addressing local needs. By making requirements more consistent and simpler, the poor would be able to access the services they need in less time and with less duplication of effort.

Also, service integration could empower the poor by making access to services easier.

Finally, by bringing together various services, professionals may improve their understanding of the clients they serve by working together and exchanging information on cases.

HUD and other federal agencies have already taken steps to improve service integration. At HUD, the resident initiatives program in public housing and the H.O.P.E. programs are efforts to bring a wider range of services, including economic development activities, to empower the poor in public and assisted housing. This is a form of integrated services in one location.

The Family Self-Sufficiency program of the National Affordable Housing Act requires that, by 1993, all public housing authorities have a program to provide comprehensive support services for families electing to participate in the program. This will include public housing residents and new Section 8 voucher holders. The implementation of the programs locally are subject, of course, to funding availability and local feasibility. No separate funding is provided for the services, except to pay for a service coordinator. The Act requires HUD to consult with heads of other agencies and provide for cooperation and funding agreements.

Also, a competition is being held among public housing authorities to receive 12,000 additional housing vouchers on the condition that comprehensive supportive services be made available. Ten percent of budget authority for incremental Section 8 certificates and vouchers must be set aside for this purpose in 1991 and 1992.

There are a number of homeless initiatives already undertaken which involve integration of services The Shelter Plus Care program created by the National Affordable Housing Act integrates a number of social services with shelter for homeless persons with disabilities. HUD and the National Institute of Mental Health are undertaking a series of demonstration projects in six cities to supply housing assistance and supportive services for the chronically mentally ill homeless. Similarly, HUD and the Department of Labor are sponsoring demonstration projects in 20 cities to increase employment and obtain housing for homeless persons. Also, the Robert Wood Johnson Foundation and HUD are collaborating on demonstrations to combine housing and supportive services for the chronically mentally ill homeless and for homeless families. These demonstrations are geared to evaluating service delivery to homeless persons.

If service integration can be so beneficial in delivering improved services to clients, why has it failed to have any substantial impact on institutional reform? There are a number of obstacles to service integration which must be overcome, and some of them have been mentioned earlier. According to a report by the HHS Inspector General, there has been no strong support for service integration among elected officials, service providers, or clients. Some service providers fear loss of control over their programs and have been reluctant to support the concept. Clients lack experience with integrated services and may not be aware of the potential they offer.

Another problem is that investment in integrated services initially may require additional funds because of increased access to these services by the poor.

Also, there has been insufficient data gathering and synthesis of the experience with service integration to determine whether certain types of linkages are more effective than others under different circumstances.

The Office of the Inspector General at HHS recommends certain approaches to improve the effectiveness of service integration. These recommendations were contained in several reports on the subject.

First, service integration should be focused on well-defined target groups and reform should be pursued within categorical program areas. Overly ambitious efforts at service integration may be difficult at this time or in the short term, certainly.

Second, we should increase flexibility of funding and program requirements at the national level to facilitate service integration at the local level.

Third, we should carefully assess the effectiveness of service integration projects to learn from both successes and failures.

My hope is that properly crafted service integration and program simplification can improve our effectiveness in dealing with poverty.

But, I would like to add that successful service integration is only one side of the coin. The fight against poverty entails more than the more efficient provision of services, important as that is.

Crime prevention and protection from crime, good education, jobs, and economic opportunity must also be part of our efforts.

Of the 125 programs mentioned by Mr. Emerson, for example, not all are service provision programs. Some are economic development programs, and some have broader goals than only assisting the poor. They have multiple goals.

As challenging as service integration will be, we really need to look forward beyond that to integrate service provision the efforts to alleviate poverty with a renewed commitment to do better at reducing poverty and providing the poor with opportunity.

Thank you.

The **CHAIRMAN**. Thank you.

[The prepared statement of the Hon. S. Anna Kondratas appears at the conclusion of the hearing, see p. 90.]

The **CHAIRMAN**. Ms. Bertini.

STATEMENT OF THE HONORABLE CATHERINE BERTINI, ASSISTANT SECRETARY, FOOD AND CONSUMER SERVICES, U.S. DEPARTMENT OF AGRICULTURE

Ms. **BERTINI**. Thank you.

Mr. Chairman, Mr. Emerson, and members of the committee, I'm pleased to be here today to be working with you on this very important issue. Many of us have worked together and talked about this issue before, and it's certainly something, as Ms. Kondratas said, that's going to be with us for a long time and is very difficult to undertake, but we are committed in the Bush Administration to doing so.

The committee's commitment to this issue, will certainly contribute greatly to our joint efforts.

President Bush has directed his appointees to, and I quote him, "reorient government to better serve the needs of individuals." Our efforts of coordination of services are designed to do just that, and we believe that the concept of One-Stop Shopping delivers on this promise.

Now, we have here sitting at the table, I think, an example of the Bush Administration's commitment to integrated services, since Assistant Secretary Kondratas, prior to joining HUD, was the Administrator of the Food Nutrition Service. Prior to my joining the Department of Agriculture I was at Health and Human Services in the, then, Family Support Administration, and worked with Howard Rolston, who, as Mr. Espy mentioned, is really a leader in his knowledge of the Family Support Act and this work toward self-sufficiency.

So, we like to share our experience and our knowledge. Hopefully, when we work on developing policies, we can do it with some knowledge base of the other programs.

We like to do that not only in the office, but even on the ball field, I must tell you, because F.S.A. and F.N.S. even started our cooperative spirit with a challenge on the baseball field.

We also think that it's important to work with outside organizations, because, as was mentioned by many of the members already, this is not something that can be accomplished by any one group or individual. This is certainly not a system that was built with any malice, but with the best interests of clients at heart when Congress passed laws or when the Administration put together its policies.

So, it's very important all of our efforts to be working with groups like the American Public Welfare Association, who is here today at your invitation to speak, the National Association of W.I.C. Directors, all advocate groups and others who have an interest.

What I'd like to do is to mention—highlight, really, several of the activities that we are undertaking, which hold a lot of promise, we think, in this area of One-Stop Shopping. The first is the Electronic Benefit Transfer System. There are new provisions in the Farm Bill passed last year related to E.B.T., as I will call it.

E.B.T. may well be a key to achieving real One-Stop Shopping in future years, in terms of the actual delivery of benefits. Right now, we have two projects underway in two areas, where jointly clients are accessing services, and by that I mean, in Baltimore, Maryland, there is a program which combines the delivery of Food Stamps, AFDC, Child Support and General Assistance benefits all in one single "Independence card," as they call it. Bank A.T.M. technology is used to deliver these benefits. In Albuquerque, New Mexico, we have a project with Food Stamps and A.F.D.C. There are a couple other projects underway, but also there is the authorization in the Farm Bill that starting in April of 1992, states can apply to use E.B.T. technology as an alternative to the regular Food Stamp coupon technology. We have high hopes for this project in the future, and we are actively participating on an Administration wide committee which is coordinating activities in this area.

A second initiative is the statewide integrated computer systems for administration of Food Stamps and A.F.D.C. Many states are also including, in addition to Food Stamps and A.F.D.C., Medicaid, Child Support, Refugee Assistance and General Assistance in these computerized systems.

We work together with HHS and USDA and the states on these projects. State workers are rapidly evolving from single program case workers to generic social workers capable of providing clients with eligibility determinations to ongoing case management for multiple programs.

I know you'll be hearing more about this from your other panel, particularly, as it works in Delaware, but one of the issues certainly is how the people who manage and actually run these systems find and work with clients, and their management of the complexity of the various programs much simply through computation.

Even as we work together and accomplish great things, we will still end up with very complex programs to administer, so the computerization projects become very important.

Three, individual Farm Bill provisions that were passed last year, which will move us toward better coordination of services. One of the ones I'm most excited about, in addition to E.B.T., are the demonstration projects for employment and training in jobs, where we can waive some of the E. & T. requirements for states who want to coordinate projects between jobs, the job opportunities and basic skills training program, and the Food Stamp work program called Employment and Training.

As Assistant Secretary Kondratas said, long-term self-sufficiency is clearly a high priority for all of us, so working together to better coordinate job training programs certainly is a high priority for us as well.

There were several other provisions of this Act that are relevant, which will be in my formal testimony.

In addition, of course, there's the Welfare Simplification and Coordination Advisory Committee, a concern of Mr. Emerson's, and its purpose is to identify policies in the Food Stamp program, Cash and Medical Assistance program, and Housing programs that differ, and, thus, make it difficult to administer such programs who will reply for and receive benefits for more than one of these programs.

A fourth topic is the work that the old Family Support Administration, the new Administration for Children and Families, and the Food and Nutrition Service is doing together on A.F.D.C. and Food Stamp compatibility.

When Assistant Secretary Barnhart, Assistant Secretary at A.C.F., she and I met to talk about this important issue. We had heard so much about these issues from the states. We have since undertaken a project where our staffs have worked together to first identify all of the ways in which these two programs are different, so that we can then move toward further discussion with states, with you and with others, toward ways to make some of these programs more compatible.

We have put together a listing of 54 different areas where the programs differ, and we will begin—we will continue our discussion on this. We've also hired a full-time employee to be working on this project.

Five, in the W.I.C. area, the Health and Human Services Department and USDA are working together to develop a model application form. This form will be available to be used for the W.I.C. program and, potentially, with the other programs, including Maternal and Child Health Block Grants, Medicaid, Migrant and Community Health Centers program, Grants for the Homeless, W.I.C., of course, and Head Start.

Hopefully, this will make it much easier for our clients to access these programs as well.

Six, we are undertaking work with the Surgeon General on a number of healthcare issues, particularly, those gearing to young children. She and I are co-chairing a conference in the Mid-Atlantic Region, where we are inviting all of the state agencies, whose purpose is to serve young children, to talk about the potential barriers for service and make some suggestions for the best ways in which we can put our programs together to best serve young children.

Seven, we are working on immunization, as a key, for the good health of young children. So many people have come to us, since we manage W.I.C. clinics, and have said W.I.C. clinics are one of the few places in the public health system where infants and young children actually are seen, and with the measles problem, as well as others, certainly we should be looking to W.I.C. clinics as a potential for immunization. In that regard, Assistant Secretary of Health, James Mason, and I have contacted all the state health commissioners, urging them to do this. We have developed several other projects to follow up on this as well.

There are many good things going on in the states. This is my eighth point. You will hear about two of those states today, and I commend you for your choice of the States of Delaware and Alabama, because they really have done some innovative projects. Their Governors, Governor Castle and Governor Hunt, have provided significant leadership in these areas, and we're very proud of them and the work that they've done. You'll certainly hear from two of the outstanding commissioners in the country when you hear from Commissioner Hornsby and Secretary Eichler. Then you'll have the opportunity to hear from a third when you hear from Director Stangler. He is not only working on important issues in the State of Missouri, as Mr. Emerson knows, but Governor Ashcroft is the incoming head of the N.G.A., and we certainly look forward to working with the Governor on many important issues in the future.

Finally, it's been mentioned before that Congress has an important role in this as well. This is particularly important because of the potential barriers that are created by the way in which Congress itself is organized and the compilation that puts on all of these systems.

Hopefully, we can not only spend some time today talking about that, but in the future talking about how the Hunger Committee can use its influence to bring, as you are today, to bear our discussion of many of these different programs, and, perhaps, discussion among your colleagues on how to best assist this process within your own system.

Much work lies ahead, but working together we can look for, not only a lot of exciting work, but, ultimately, very important work, in making government work as best as possible to serve the needs of individuals.

Thank you.

The CHAIRMAN. Thank you.

[Prepared statement of Assistant Secretary Bertini appears at the conclusion of the hearing, see p. 98.]

The CHAIRMAN. Mr. Howard Rolston.

STATEMENT OF HOWARD ROLSTON, ASSOCIATE ADMINISTRATOR FOR PROGRAM EVALUATION, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Mr. ROLSTON. Mr. Chairman, members of the committee, thank you for the opportunity to speak to you on integration and simplification of public assistance programs. Our newest effort is the creation of a new agency in HHS, the Administration for Children and Families. Secretary Sullivan expects the new organization to result in a heightened emphasis on coordinated and integrated services.

The new organization will continue our commitment to providing timely and targeted assistance to vulnerable families. Since the passage of the Family Support Act of 1988, we have emphasized coordination of activities to help families achieve self-sufficiency.

In addition, Secretary Sullivan has made service delivery integration one of nine fundamental program directions for the Department. Within HHS and FSA, there has been a strong commitment to improving the coordination and integration of services at the delivery level, in order to help families obtain the assistance they need to become self-sufficient. This commitment remains a top priority for the new Administration for Children and Families, and we believe that it is strengthened by this new organization.

Under the Family Support Act of 1988, the JOBS program provides a focal point for the integration of program services. With JOBS funds, welfare agency staff work with recipients in developing a plan for improving their employability and other aspects of self-sufficiency. They must integrate job services with assistance under child care, AFDC and child support enforcement.

Many States are taking advantage of the opportunities presented by JOBS to provide case management services and to develop a more integrated system of service delivery. To that end, we have been encouraging improved coordination with JTPA, with the educational system, with child care resource and referral agencies, Head Start, Chapter I programs and community-based organizations.

We have joined with the Departments of Education and Labor in funding a $6.3 million technical assistance contract to help States in developing more effective and integrated JOBS programs.

In the automated systems area, we are providing enhanced Federal matching funds for States to develop interfaces between AFDC and JOBS systems. We are working to develop more consistent data reporting requirements and systems specifications.

We are also working to create model partnerships between Head Start and JOBS within States.

The Omnibus Budget Reconciliation Act of 1990 created two new child care programs. The first provides federal matching funds for families at risk of being dependent on welfare. The second program will make $732 million available for child care services for low-income families, increasing the availability of early childhood development programs, and before and after school care, and for improving the availability and quality of child care.

I would note that all of the programs that Ms. Kennelly mentioned this morning are now under the authority of the new Administration on Children and Families, and we are striving to develop compatible program rules which will enable states to develop seamless systems of child care services.

I would now like to summarize recent efforts in program coordination and simplification between AFDC, Food Stamps, and Medicaid. Developing compatible program rules and procedures is difficult, because many program differences are statutorily based. Further, achieving a significant level of compatibility would require changes which could either disadvantage recipients or cause substantial increases in program costs. Nonetheless, we are committed to increasing compatibility where possible.

Currently, several demonstration projects, which test the integration of benefits, have been approved or are operating. These include the Minnesota Family Investment Plan, the Washington Family Independence Program, and the Alabama Assets project, about which you'll hear more today.

We expect to learn a great deal from them about the impact of closer coordination between AFDC and the Food Stamp program.

Our coordination efforts with Medicaid have focused on program administration issues, such as quality control, data exchange and matching policies. In the program benefits area we are working to achieve compatible eligibility rules for transitional child care and transitional Medicaid benefits.

It's interesting that this morning Ms. Kennelly brought this issue up—the differences in the programs and the compatibility problems in this area, because I think it's a good example of what some of the difficulties involve, and they begin with some statutory and programmatic differences.

The statute specifically precludes an application for Medicaid transition benefits, but is silent on that for child care transition benefits.

At the same time, the Medicaid program does not require a sliding fee scale, and the child care transition benefit does. That is, there has to be a copayment by the individual who receives the child care.

So, within that framework, Medicaid only has to determine that somebody is eligible and issue a Medicaid card to them for that month. while on the child care side it's necessary to determine how much the state will pay and how much the individual pays, since there's a copayment.

So, there's some need for information flow back.

Within that context, we have tried to make the process as compatible as possible. For example, we don't require a written application, we only require that the person request the child care, and to make that more likely to happen, we have required state agencies to inform individuals of the availability of this transition benefit.

So, I think this is, in some ways, a typical example of some of the difficulties of coordination. You have different statutes, different committees (at least on the House side different committees) and somewhat different expectations of the kind of information that's necessary.

We've tried, within that context, to bring the two together as closely as we could.

In addition, we are also working in the child support area to allow states and encourage states to tie medical support through the Child Support Enforcement System and Medicaid more closely together.

When we last testified, we spoke about our efforts to help states automate their AFDC programs. In the past two years, we've certified eight additional states. This is a particularly important area. Almost all states have integrated both Medicaid and Food Stamp requirements into their automated systems.

Where possible, we have undertaken joint review of these systems and coordinated our systems approvals. Overall, we are pleased with the results of automation, but we still have several concerns to resolve.

One important part of our overall automation effort is EBT. We encourage the use of this technology as long as it is cost effective for the AFDC program and it imposes no unnecessary restrictions on the benefits of recipients.

Consistent with the Program Directions Plan of the Secretary and our new organization mission, we intend to continue our efforts to improve the integration, coordination and continuity of services for needy families. We recognize that many of the existing program differences create confusion and waste administrative dollars. Most importantly, from the perspective of low-income families, our programs often fail to facilitate the delivery of benefits and services so they can become self-sufficient.

We are committed to exploring ways, through our regular program activities, and through demonstrations, to bring about further improvements in these areas.

Thank you.

The **Chairman**. Thank you.

[Prepared statement of Mr. Howard Rolston appears at the conclusion of the hearing, see p. 139.]

The CHAIRMAN. I know we have members coming in and going out as well. Mr. Faleomavaega from American Samoa, we appreciate your coming this morning, and Ben Gilman. Thank you, sir, for coming as well.

If we could turn for just a brief question and answer I would like to ask Ms. Kondratas, in your testimony you talked about there being insufficient data collection, how would you suggest that we improve our evaluations of demonstration projects if you don't have sufficient data in order to learn more about what works and what doesn't work?

And, you also talked about guarding against being overly ambitious. I'm not sure exactly what you meant by that, if you could clarify it and tell me how we could improve our data collection efforts.

Ms. KONDRATAS. First on the data collection, I think that very clearly any time you have a demonstration project, any time you begin a new program in service integration, we have to, at the same time, plan for the evaluation, including defining exactly what the goals are.

In many instances, the goals of the program are not clearly defined and, therefore, it's impossible to evaluate whether it is a successful program or not.

So, I would simply suggest that we realize and put the resources into evaluation when we start a new program. Sometimes it's because of lack of resources, sometimes it's because of lack of planning, that we don't do that evaluation.

I know, as somebody who has read evaluations across a variety of programs from the Department of Health and Human Services to the Department of Labor, as somebody who comes to the programs not knowing about them, some of the evaluations really do not tell you whether it's served to reduce poverty, or what the increased level of participation as a result of the integration is, whether people are actually happier with it, whether more people were really served. You get a lot of information very often on things that are easy to measure, but the things that are easy to measure are not necessarily the questions that you want answered.

And, I wouldn't be so presumptuous as to give advice to government evaluators, because I think they do an outstanding job, certainly my experience with the Food Nutrition Service and the Department of Housing and Urban Development indicate that they know what they are doing. The question is whether there's been sufficient, whether they are given the opportunity to do what they are able to do.

I'm sorry, I forgot the second part of the question.

The CHAIRMAN. Overly ambitious.

Ms. KONDRATAS. Oh, I suppose perhaps, I'm impatient, and, again, somebody who has spent a number of years now trying to promote service integration, as well as increased efforts in the war on poverty in general, just seeing the divisions and the confrontational approaches sometimes, and on the political scene, makes me a little bit skeptical about our ability to overcome those partisan differences and sometimes genuine differences in approach to actually achieving the kind of integration that needs to be done.

You pointed out, for example, that federal agencies, a variety of agencies coordinate efforts, except for the Interagency Council on the Homeless, which I think has been becoming more and more successful in integrating efforts. A lot of interagency integration efforts are really based on the individual efforts of people who care about integration, rather than on any kind of legislative authority or anything else. So, many integration efforts start because a new administrator or a new assistant secretary is interested in that, and coordinates with another assistant secretary, administrator, who is interested in integration, and then the effort falls apart when there's a turnover in personnel, because there isn't the consistent pursuit of integration efforts.

At the same time, in the Congress, a number of people have pointed out the overlapping jurisdictions among committees, and how difficult it would be, and how difficult it is, I know we've discussed the Economic Empowerment Task Force, whether omnibus legislation ought to be proposed. I know Senator Moynihan, when considering how broad to make the provisions of the Family Support Act, also considered how many committees it would have to go through before it would actually be able to be voted on by the Congress as a whole.

It's very difficult, both in terms of time, and in terms of coordinating various interests of the different pieces of the system, to expect quick progress even when there is the best of intentions and very good will on our side.

The CHAIRMAN. I understand the legal assumption about bureaucracy on this end too.

If I could just follow up with you, Catherine, on the question of insufficient data collection. It had been my understanding that we've had several demonstration projects in various states. I know that we had a GAO report to talk about progress, shortcomings, et cetera.

You know, do you feel that there's been insufficient data collection, and what have we learned from these past programs to enable us to effectively develop future projects?

Ms. BERTINI. I think that much of what we learned, frankly, in terms of coordinating services, and if we're going to talk specifically about coordinating services as opposed to making a new program, or changing a program, that there's a big difference between the two. And, certainly, when we develop new programs, when we are looking at the substance of what's in W.I.C., for instance, or whether or not we should be changing the eligibility factors in Food Stamps or something else, that that's clearly when we need to look at the evaluations and what's happening there, and whether or not there's been sufficient evaluation.

But, when we are talking about coordination to just go talk to some of the people that are case workers, or people that are working with programs, we certainly are going to hear from commissioners today, when we talk to those folks, and they could easily tell us things that would make their lives much easier, in terms of the administration of a program, if only X, Y, Z were changed.

So, I think we have to make a difference between evaluation, in terms of the actual program, and service delivery, and they are not necessarily the same thing.

The Chairman. On the EBT program, what experience do we have in rural areas in demonstration projects, and, perhaps, that's a question that could be saved for later, but what's been your analysis of it?

Ms. Bertini. We don't have experience with other areas yet. Howard may want to discuss this on the A.F.D.C. side, but the Reading, Pennsylvania project is the only project where we have an evaluation, and we now have projects, as I mentioned, in Baltimore and Albuquerque.

But, you'd be pleased to know, Mr. Chairman, that the State of Wyoming is close to beginning an EBT project for W.I.C., and that's certainly——

The Chairman. I'd be more pleased if it was the State of Mississippi.

Ms. Bertini. Beg your pardon?

The Chairman. I'd be more pleased if it was the State of Mississippi.

Ms. Bertini. We will be glad to talk to the State of Mississippi, if they want to initiate conversation, but the point being, we are very excited about the prospect, because I think that will show us the pluses and minuses of running a program in a rural area.

The Chairman. Would you care to comment?

Mr. Rolston. We also don't have experience in rural areas at this time.

The Chairman. OK.

Bill.

Mr. Emerson. Thank you, Mr. Chairman.

I would observe that these are three really truly excellent statements that you all have made. I'm beginning to think that maybe we should take the three of you, and our two previous witnesses, and I know we have some other outstanding witnesses yet to come today, and appoint you to a task force to go off and sit together and make recommendations as to how we could simplify and improve. That way we would not have all this jurisdictional overlap and bureaucratic impediments, and you could come back and make a package recommendation to the Congress as to how we could be on and about this business.

You all have truly made some wonderful statements here today, and I know that the three of you are going to be aggressive in pursuing your goals. The frustrations you express are ones I myself have experienced. I actually opposed the creation of this committee back in 1984, on the theory that what we didn't need to get at these problems that we're trying to address was yet another committee. There are plenty Committees in Congress dealing with all of these subjects. What we mainly need to be doing is talking one to another.

But, I'm not sure back then, at that point in time, back six, seven years ago, that we could ever have gotten the Ways and Means Committee to talk to the Select Committee on Hunger. I think the attitude back then would have been, hey, they are stirring our soup, and we don't like that. To have the two witnesses that we did today, with the level of understanding and concern for the issue that they express, together with, the three of you, I mean it's certainly good to see three great big departments and agencies of the government sharing in their concerns and their attempts to resolve these problems, I'm encouraged. Maybe we are making some progress.

I have a number of questions I would like to ask. Mr. Chairman, I want to submit some in writing, because I don't want to prolong this hearing today, and I'd like to go back and review this testimony. We'd like to submit some questions in writing because I think the transcript of this hearing today may really provide us with a basis for some serious sorting out as we look to the future.

Catherine, what did you say in a number about how many states have EBT systems in place?

Ms. BERTINI. There are currently, I only mentioned two, because they are the ones that are jointly between A.F.D.C. and Food Stamps, that is being Baltimore, the State of Maryland, and Albuquerque, New Mexico. We have a third in Reading, Pennsylvania, but it's a Food Stamp only project, and then A.F.D.C. has some EBT projects.

Mr. EMERSON. These are pilot projects, right?

Ms. BERTINI. Yes, they are.

Mr. EMERSON. They are ones that we specifically authorized?

Ms. BERTINI. Well, they are done under demonstration authority, actually.

Mr. EMERSON. Demonstration authority.

Ms. BERTINI. And, however, the difference will become for Food Stamps in April of '92, that they can be, EBT can be an operational alternative to the Food Stamp, Food Coupon Delivery System.

And, Mr. Emerson, I want to follow up with this, because one of the reasons why we are so excited about it is exactly one of the things that you said before, and that Ms. Johnson was talking about, and that's that we are spending a fair—well, a lot of money on these programs, but EBT and the Food Stamp program, we think, is one of the ways to ensure that that money is going to food on the tables for the people in need. And, for that reason, we are very strongly promoting this process.

Mr. EMERSON. I think one of the things we have failed to do, and I don't think anybody is in particular to blame for it, is to utilize modern technology as we seek solutions to these problems.

Between my service on the Nutrition Subcommittee of Agriculture, and this committee, I've probably been in 150 hearings over the last ten years dealing with these subjects. So often we have heard the complaint from people who are, in effect, social workers, saying, they don't have time to do what social workers ought to be doing, because they spend all of their time dealing with the paperwork burden. The burden of just a simple Food Stamp application in one state is a 30-page form. It's things like this that modern technology ought to be able to help us do more expeditiously, to keep better records, and thus have a higher level of accountability than we've had in the past, and to save money in the process.

Do you know, based on the pilot projects so far, or the EBT demonstration projects, are there going to be savings resulting from reducing administrative overhead?

Ms. BERTINI. Well, that's a very key question, and Mr. Rolston referred to that when he talked about the cost neutrality issues, and in the Farm Bill you said to us, when you go with EBT, it needs to be cost neutral.

In the Reading project, which is the only one that's evaluated so far, it is not cost neutral for Food Stamp only to run EBT.

We believe, however, when we combine the administrative costs with other agencies and other programs, that, ultimately, it will be at least cost neutral, if not cost savings, but we do not have proof of that yet as we speak.

Mr. **Emerson**. We'll be looking forward to that data. I don't know, are three projects going to be enough to give us the necessary data to make that determination?

Ms. **Bertini**. Well, when states start in April of '92, by April of '92 we won't necessarily have evaluation from the other ones when states start. But, certainly, we will be very careful in terms of the cost neutrality provisions that we write in and approve, and we'll have more information, obviously, after we get some more experience.

Mr. **Emerson**. When looking at cost neutrality, do you sit back and look at the method of calculation, as to its fundamental efficacy to whether C.B.O. and O.M.B. have different accounting methods. We hear so often and read so often that if you calculate it by O.M.B.'s accounting rules, there are savings, but if you use C.B.O.'s, there aren't. Do you sit back and say, yeah, we get confused down here. I mean, we don't know whether to believe O.M.B. or C.B.O. Really, do you sit back and say, realistically, this is going to save money, or it's going to cost more money, because often the accounting rules impose technical requirements that really don't speak to reality. We are accounting for certain factors that don't bear any relationship to the real world sometimes. We've sat in the Agriculture Committee and heard them tell us that if we spend so many more dollars, we'd be saving so much more money, and, we've never been able to figure out quite how that works.

But, by whoever, O.M.B., or C.B.O.'s accounting procedures, they can say, "Oh, no, sir, look here is how it works. You spend all that money, and you are going to save so much money." We need to know in real world terms.

I know you've got to go by the book, and I encourage you to do so, but we'd also be very interested in your personal real world considerations on some of these points.

Mr. **Rolston**. If I could answer, Mr. Emerson.

Mr. **Emerson**. Am I clear on that? Am I articulating that very well?

Mr. **Rolston**. Yes. I certainly wouldn't want to promise that we would end up with results which no experts would disagree about, because we know in theory, like you so aptly point out that that's not possible. We are making considerable efforts to try to get as accurate estimates of these things as we can.

On the AFDC side, I think we are fortunate in that the cost of issuing checks is relatively easy to isolate, or that's what we are told, compared to some other kinds of activities.

The questions, though, of cost neutrality are complicated. They are different for the different programs, because, for example, with a broad-scale EBT program, the whole process of issuing Food

Stamps and recapturing them, which is a costly process that Ms. Bertini could say more about, would be eliminated.

We don't have a similar source of savings like that with AFDC, because for us it's a matter of whether we issue a check or money gets issued through a terminal or a point of sale contact.

So, there are different issues involved. The potential for savings is different. We do it to be a major responsibility to make that determination, we are taking it very seriously.

Mr. **Emerson**. Yes.

Ms. **Bertini**. If I could follow up both to your question and to Mr. Espy's as well.

In the Maryland project, we have allocated actually a very substantial amount of money, $2.5 million, to evaluate the Maryland project, and it is going to—we are now in the final negotiation stages with Maryland hoping for an agreement to come within the next month for a staged-in expansion, ultimately, statewide in Maryland.

And, as a result, we want to evaluate just about anything we possibly can, and with both of our programs, and all of the programs that are involved with the Maryland system, including costs that aren't part of the Coupon Delivery System or the Check Writing System at AFDC, and by that I mean, for instance, fraud. We are now talking about the different ways that we could possibly seek to evaluate the potential savings in the abuse of the benefits that might occur through the implementation of EBT.

The **Chairman**. Thank you.

I'll just say to you, Bill, though, we have made progress in one area, when it comes to an analysis of cost savings in certain programs. Whoever was responsible for the WIC analysis did a pretty good job, because I think we've gotten to the point where there's minimal disagreement on the out-year savings on the WIC program. At least, you know, for every dollar spent you save $4.00 later in health care costs for those children. So, whoever did that, I'd recommend them to take a seat at the table with regard to these other programs.

Mr. **Emerson**. Oh, I think it's possible, I really and truly do think it's possible, but I think they need to be talking more with each other in order to be singing from the same hymnal.

Ms. **Bertini**. We've got, Rod Vogel is here, sir, who is our National WIC Director, as well as Steve Carlson from our Offices of Analysis and Evaluation, and they'd very much like to take what you had to say, Mr. Espy, about our WIC.

The **Chairman**. That will be just fine.

Thank you, Bill.

Eni, any questions from you, sir?

Mr. **Faleomavaega**. Thank you, Mr. Chairman. I want to thank you for chairing this hearing this morning, and I certainly want to second my observations and thoughts with what the gentleman from Missouri has just shared with us this morning.

I appreciate the comments and the testimony that have been brought before us.

I do have a couple of questions, and maybe with my added sense of frustration too about the problems affecting federal assistance programs, as if they serve the needs of the poor.

My problem with the whole thing is, I suppose coordination is a good beginning, although I'm sure this is not the first time that we've tried to integrate and consolidate. You know, these are always nice terms that we keep hearing over the years.

My sense of frustration is that, we are already discussing the mechanics, but we haven't really gotten down to the grain on the principles, the very root of the problems of how America should really address the needs of the needy and the poor, because there are so many variations.

If you are talking about the question of waste and fraud among the recipients, I hear so much about that. You have the question of serious budget allocations, even between the Executive and Members of the Congress; the question of definitions, priorities; and the question of variations, even among state programs that come in conflict at times with the federal programs.

I come away with this feeling, Mr. Chairman, Members of the committee, and our panel, that, as long as the Congress and the President have not come to any sense of agreement on some sets of principles as to how we are really going to address the needs of the needy and the poor, we are going to be spinning our wheels for the next 100 years. Maybe I'm being very pessimistic about this, but let me just cite you some examples.

Take for the example the needs of Native American Indians. Forty-five percent of the population of American Indians are at a poverty level, and this is not just some magic number that just popped out of a machine and just came up yesterday, this has been in existence for the last 100 years.

My sense of frustration is that we've got the problem, the problem is real, and it's not some academic exercise or some professor going out to the nations and saying, hey, we've got a poverty problem, the needs of the poor and Native Americans. I'm not just picking on Native Americans, I'm citing a real case example where institutionally, federally, state money, or whatever we discussed in our discussion this morning, has not been fairly addressed.

I just had a constituent who took ten years to settle his disability problem with the Social Security Administration. Ten years he's had to appeal this case over 20 times, to finally work out the last comment, or whatever it is that had to be done because it wasn't done in a certain style of writing, I suppose, or he never would have gotten the benefit.

I'm frustrated by the fact that, while we are discussing the possibility of doing all this, the problem of integration is just as bad in the administration as it is with us here in the Congress. I'm sure it's just as much the same problem even among the agencies and the Executive Branch of our government.

So, who are the victims? We're going right back again to the problems of the needy and the poor. Are we really serious about addressing those needs?

And, while I'm very supportive of all that we've discussed this morning, the process, the procedures, but as long as there is real serious disagreements existing philosophically between the administration and the Congress, we are going to continue to be in more discussions like this, and say, let's try it, let's try it.

I think we have been trying for many years, but somehow we just seem to wait for the next Congress, and I suppose it's going to go on for Congress in the future, and we're still not addressing the needs of the poor.

Here's my frustration. I am against a welfare state, and I am against every able-bodied man and woman who receives something from the federal government and yet is not working for it. My basic understanding of the philosophy of the welfare system is that we are to provide for needs temporarily for that able-bodied human being who wants to be self-sufficient, self-supporting. Well, when are they going to be done? We have continually perpetuated the theory that says, well, let's keep supporting them, because that poor man is not able to provide for the needs of his family for the next, what, 20 years. I'd rather be getting welfare payments than pumping gas, because I'm getting more money from the welfare program than if I were to pump gas, and that's the only kind of training that I am able to receive.

I don't think there's any person here in this room that is not sincere in wanting to help the needs of the needy and the poor, regardless of social strata.

I just wanted to have the members of the panel comment about there frustrations, and maybe you can help me. I suppose that maybe we can have better luck with the Administration consolidating some of these programs than we would up here on the Hill.

Mr. Chairman, maybe this is a good initiative by the Administration. Let's really see if we can consolidate and really make this as a one stop for that needy family, so that he doesn't have to take another five months to clear the bureaucratic maze, whether it be the state or federal bureaucracies, to get that needed payment to pay for the family's needs.

Mr. EMERSON. Would the gentleman yield?

Mr. FALEOMAVAEGA. Absolutely.

Mr. EMERSON. I want to say that I'm, I think I'm balanced, and I'm far more optimistic than the gentleman about the prospects for really doing something. Although, I'm not sure that I am less frustrated. I think we all agree that all of the programs we are talking about have been well intentioned. The problem is over a period of time, there are so many programs, and there is so much conflicting jurisdiction, that there has been a lot of confusion.

I think two, three years ago, we made some modest steps forward in the welfare reform law that we passed, and, I think there was a very strong bipartisan consensus to get that done.

I don't think that we have strong partisan divisions on this committee. I think that we've seen a wonderful willingness on the part of these witnesses from three imperative agencies of the government, imperative from the standpoint of needing their involvement to go forward in a very cooperative manner here.

I think what we're looking at is what works and what doesn't work. Your frustration about the plight of the American Indians is one I share. I think we can look back and say, hey, there's a lot of things back there we know didn't work. But as we look to the future for what will work, we know also it's not necessarily always just more money dumping on the problem. The solution it may be combining some of these programs, and addressing the needs of the individual or the whole person, rather than the piecemeal solution.

I think everybody wants to solve these problems we're talking about, and I don't think that the differences are as much philosophical as they are practical, in terms of what works and gets results, and what doesn't work and doesn't get results.

I yield back.

Mr. **Faleomavaega**. I couldn't agree with the gentleman more. As I said earlier, Mr. Chairman, I'm just sharing with the Members of the Committee and the panel my frustrations.

The **Chairman**. Ms. Kondratas, would you care to make a brief response?

Ms. **Kondratas**. I'll make a very brief reply to that. I don't think there was that much of a philosophical chasm as has been implied. I think the administration is sincerely committed, not only to alleviating poverty, but to fighting poverty.

I think none of us have the answers. I recognize there's a lot of good will, and we don't know all the answers, but the perfect shouldn't be the enemy of the good. It's going to be a long haul, a difficult haul to fight poverty. It's not going to happen over night.

Service integration is only one step, it's not the answer, but it's the subject of this hearing, which is why we concentrated on it. It is a step in the right direction, that's all, but I think that everybody would be fooling themselves if they thought that this was going to be easy, that it wasn't going to be complicated, or that we won't need bipartisan cooperation in order to achieve the greater good for society as a whole. I think the administration is prepared with that kind of cooperation.

We have submitted some legislation, we will try to—we are working on more legislation. Clearly, we can't do the coordination without the cooperation of the Congress, and we look forward to working with you, and it's very positive that we are having this hearing today.

The **Chairman**. Thank you.

Mr. Gilchrest.

Mr. **Gilchrest**. Thank you, Mr. Chairman.

I'll throw in my hat, for what it's worth, enthusiasm toward this first step, if we want to call it a first step.

Poverty, in all its phases, I think, is a paralysis like polio, only it paralyzes your ability to have hope. So, if we can unlock that complex issue of learning how to inject dignity and hope in people's lives, I think we've come a long way.

And, this is the first step in analyzing and understanding those particular ingredients that will be needed.

I was wondering, and anybody can answer this, it's not a multiple choice question, I was school teacher, so—are there any peculiar problems, and understanding this is a very complex issue, integrating the services to all the varied, different types of groups that need these services throughout the United States? Are there any peculiar problems that you can specifically recognize relating to migrant workers or American Indians, that might be a little bit different, as opposed to the experiment in Baltimore or Albuquerque or some other area?

Ms. BERTINI. There are, I'm sure we could list many, Mr. Gilchrest. One that comes to mind immediately in the Native American population is job training, and the fact that so often in very rural areas there are very few jobs available, and it becomes difficult then to have effective job training for jobs that don't exist.

And, it is something that I'm sure that we are trying to deal with in different areas, whether it's through Food Stamp employment and training, or through the Job Opportunities and Basic Skills training program.

Another that I think we've addressed from a nutritional perspective in the Native American population is relating to options for food packages, and Congress has authorized us to provide a choice to members, Native Americans who live on reservations, to choose between receiving Food Stamps or receiving a package of food each month, in an attempt to try to alleviate potential problems with access to food.

Mr. GILCHREST. In an area where they have Food Stamps, on an Indian reservation, and there was a lack of access to local stores, then they would be given the food package?

Ms. BERTINI. Food packages are an option to Food Stamps, yes, they can choose each month. A client can choose whether or not they want a food package or Food Stamps.

Mr. GILCHREST. That's anywhere?

Ms. BERTINI. On reservations, that's right. It's an attempt to serve a unique need of this population.

The CHAIRMAN. Yes?

Mr. ROLSTON. I would just echo Ms. Bertini's sentiment that isolation and lack of economic development can make operating these programs, if not pointless, at least more difficult to achieve.

One of the provisions of the Family Support Act allows an Indian tribe, or an Alaskan native organization, to operate its own JOBS program, rather than to be part of the larger state effort.

And, accompanying that is a very broad waiver authority to allow that tribe or native organization to fashion its program to be more suitable to its circumstances. We exercised that waiver authority very broadly to try to allow for the particular problems of Native Americans.

Mr. GILCHREST. Ms. Kondratas, you were talking about expanding services in different areas, so that people have better access to them, and one of those areas was public schools. Would this be an elementary, middle, or high school, to which the parents could go, or the students could have access.

And, I bring this up because as a former high school teacher, I recognized that there was a tremendous awareness among the students about each other's economic status, and in the high school where I taught there are students still in the high school that, if they can't afford lunch, they have to go to the library or the front office or someplace like that to get their little card to get their lunch. And, it causes visible stress among those students who have to do this.

And, is there any recognition of this fact, if it comes to providing services in the public schools?

Ms. KONDRATAS. Let me first say that I, too, am a former high school teacher, so I'm familiar first hand with some of the problems, and I've served school breakfasts, and I've monitored school lunch ones, so I think that in answering, I would say that there are all kinds of services that can be provided in school buildings, even after hours, day care services, there could be an immunization program for whole neighborhoods set up without regards to income or singling out individuals that might be very successful in a locale like that. A local school is a place that local residents trust, or are familiar with, and it may be a good way to provide services that aren't traditionally associated with schools, like health care services.

So, I think the Food Nutrition Service has attempted to make sure that the provision of school lunches, and school breakfasts, is not discriminatory, does not single out students, so that they have to feel ashamed for taking assistance. We've been aware of that for a long time, and I think that they have tried to take steps to correct that.

So, really, the imagination is the only thing that limits what they are able to do in buildings, if you take advantage of the things that are available in neighborhoods, and to promote neighborhood groups, community development organizations, economic development groups. Schools are used for a variety of purposes after school hours.

Mr. GILCHREST. Thank you. I like that word imagination, that's limitless, so if we put that to work with our American ethic, I think we'll go a long way to achieving our goal.

Ms. KONDRATAS. Let me add just one more comment to one that was made earlier on evaluations, and the need for evaluations.

I think in many instances, because evaluations, serious evaluations, take a long time to do, and because they don't necessarily answer the questions we want answered, but I don't mean to say, and I didn't mean to imply, that evaluations are the only reason that we make social policy or follow certain goals.

Human dignity, I think it was pointed out, is not quantifiable, and I think doing something because it's the right thing to do, doing something that you would have done unto you, is still a very good reason to make decisions.

Mr. GILCHREST. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Wayne, the sentiment you express is also a concern that's been raised in earlier hearings, the fact that there is a stigma attached to some of this, and, particularly, when it comes to the EBT program. You know, sometimes in the supermarket with 18 aisles, there's one aisle for welfare recipients, and that's a severe disadvantage, and might inhibit their participation. So, that's one that we've noted, and we are trying to take into account.

Mr. EMERSON. Catherine wants to comment on that.

Ms. BERTINI. We are going to make sure that doesn't happen, Mr. Espy.

The CHAIRMAN. Excuse me?

Ms. BERTINI. We will make sure that the lane issue is not an issue and won't add a stigma to the process.

The CHAIRMAN. Thank you.

Mr. Bustamante?

Mr. **Bustamante**. Thank you, Mr. Chairman.

Let me inject my school teacher background also. My experience is as a migrant worker, the oldest of 11 children, with both parents having second grade education.

I know that, you know Mr. Chairman, the difficulty providing for migrant workers, a very minority population within a minority you know the complex problems that are being faced by them simply because of the many new entries that are coming, and you were with us in the Beaverton, Oregon area, where we saw for the first time new interest from as far south as the Guatemala border area of Mexico, where these new people were coming in.

Migrant workers have no homes, they have no place to stay. The neighborhood center was provided shelter and food for them there. This was not a problem that we encountered when I was a migrant worker in the '40s and the '50s, when Native, and I say Native, third generation Americans, were coming into this area.

I can see the impact on Americans of these new illegals and sometimes different factory workers that are coming in and impacting the crops. For instance, last year the berries and strawberry crop were delayed because of the weather, so you had this influx of people, and it had an impact on the number of recipients that were already receiving benefits. These people had to be provided emergency services.

Another important issue is education.

Education is the key for everything. But, how do you get an education as a Migrant worker, or child of a Migrant worker?

I remember as a youngster being very cold at night because it was either too cold or hot, because our affordable housing was just house and that was whatever was available. Probably the migrant house in Oregon was better than the house that we lived in South Texas.

Nor did have any indoor plumbing or any indoor services, and so, during the school day, because of the fact that you were cold at night, your learning experience was limited. You either went to sleep because you didn't sleep at night, or your nutritional status was so poor. I'm glad for this integration of services.

So, I'm hoping that these new formulas that we're putting together in integrated services will begin to impact about ten percent, perhaps, of the population, I wish I could say more, but ten percent would be great if we could do that.

Now, Secretary Kondratas, let me ask you, when you talk about flexibility in funding and program reform at the federal level, in order to facilitate implementation on the local level, what do you mean by that?

Ms. **Kondratas**. Well, I could take as an example the Community Development Block Grant program, which is under my jurisdiction, which is a flexible program designed to benefit low and moderate income Americans primarily, but not only this population.

Local communities and states have a great deal of discretion in how they use the monies. In fact, Secretary Kemp attempted to target the program more specifically and more directly to low and moderate income Americans, and especially to low income Americans. We were only partially successful in a compromise of the Congress, but we were successful. The Congress did reiterate that the primary purpose of this program is to serve low and moderate income Americans.

At the same time, there is a great deal of flexibility in how communities perceive their own development needs, and how they proceed in assisting their residents.

Speaking of the Community Development Block Grant program, however, which I think is a very well-working program, I'd like to point out that the Congress this year, in addition to increased targeting, added a provision that in the four border states, with Mexico, ten percent of the Block Grant program of the states is to be set aside to help with development in "colonias."

The problem that we have with that as we addressed it, is that only two of those states have "colonias," as defined in the law.

We will have to come back to the Congress for——

Mr. **Bustamante**. Which states, Texas and who else?

Ms. **Kondratas**. I always get Arizona and New Mexico mixed up, but it's one, California does not, and either New Mexico or Arizona does. Being a formal social studies teacher, it's not that I can't locate them, I just forgot which one does not have "colonias."

The other two states, however, have serious problems with migrant workers, and we wanted to come back to the Congress to enable that ten percent set aside to be used on the colonias, but also for migrant workers, and problems that they might have.

It will necessitate coming back to the Congress to do that, so we're hopeful that we will be able to come——

Mr. **Bustamante**. In many of these states, like the State of Texas and California, and even Arizona and New Mexico, the problem that you have in dealing with the Maquila program, and the Maquiladora program, which is a three plan program, is the tremendous growth that is coming out of the south of Mexico.

In Mexico, there are four cities that have 50 percent of the population of all of Mexico. They are moving into the border areas, and they are impacting tremendously all along the border.

It's been a good program, the three plan program, as far as I can see. I represent 200 miles of border between Mexico and the United States.

Ms. **Kondratas**. To summarize what I mean by flexibility is that the federal government sets goals that it wants accomplished that are national goals, but that local communities looking to their own conditions are able to exercise some flexibility.

Mr. **Bustamante**. The state shares in the funding, or what is the formula for funding?

Ms. **Kondratas**. The Community Development Block program formulates based on various indicators, including poverty, age of housing stock and unemployment and so on, but it's not a matching program. It's a grant.

Mr. **Bustamante**. What we are doing for the Kurds is a very noble and very humane to do. We, in our area, will take tents to provide housing for some of our people. These are people that suffer greatly. They live on minimum income, minimum wage, they work in the fields, probably make about $2.00 an hour in the fields, piecemeal, and it is tough to live on $2.00 an hour.

Like I said, we will take tents, we don't know of an affordable house anymore, we'll take anything that is clean, and people can live under those conditions, because they are better off than living under the conditions that sometimes says, you are number 150 on the list to get public housing.

And so, I look at all these things that we are doing, and the Kurd situation is terrible, terrible, how anybody can look at that situation without being moved is beyond me, but we also need to address our area. When you talk about affordable housing, talk about the colonius.

My concern is that we provide some minimum housing, I'm seeing people that are minimum wage earners, Mr. Chairman and I'll finish with this, minimum wage earners that are now living three families in a little house, because they have to combine all of the resources of those three families. Three generations living in one house. Give us affordable housing, and that way we can provide more housing for people, instead of the formula. It's our fault in the Congress, that we have all these formulas. For example, if you have eight in the family you must have four bedrooms, two bath, and all of these other things. Give them two rooms that are clean, and you can take care of a lot more people. You can provide an environment for those children to learn a little better and to have a decent learning environment so they can get away from the vicious cycle of poverty.

Mr. **Gilchrest**. Will the gentleman yield?

Mr. **Bustamante**. Yes, sir.

Mr. **Gilchrest**. There is a program in Maryland, Kent County, it's Angelica Nurseries, that used to bring in migrant workers, at first from Puerto Rico, then from Cuba, and now mainly from Mexico, and they recognize this problem, the problem of housing, and stability, and education, and sleep, and food. I could get you the information and we could take a visit there. It's a rather large nursery that employs almost exclusively migrants from Mexico and provides them with housing now.

They have at this facility integrated all these services to make it much easier for people to be productive. They've built these homes for the migrant workers, they've provided services so that people could get citizenship. They provide services for the language barrier, so it's an interesting program.

Mr. **Bustamante**. Thank you.

The **Chairman**. Thank you.

In the interest of time, though, we don't want to impose on this panel too greatly to have them to defend the administration for questions of foreign policy. But, I do understand. Perhaps, if the gentleman could reduce his questions to writing, very pointed questions, and present them to the administration representatives, he would get an answer.

Ben.

Mr. **Gilman**. Thank you, Mr. Chairman, and I want to associate myself with the remarks from the gentleman from Texas. They were certainly very pointed and relevant.

And, I want to commend you, Mr. Chairman, and our Ranking Minority member for arranging this hearing.

We've sat through too many hearings on coordination and integration and outreach, and I hope that maybe this hearing will underscore the necessity to finally doing something, and I welcome the testimony by our good Secretaries and Director that were here today.

I've heard Secretary Bertini in the past speak about this, and I'm pleased to hear the comments made by our Secretaries of the need for better coordination, for one-stop services that provide outreach, deal with turf problems, and encourage agencies to work together. But, how many times have we heard that, Mr. Emerson? It's gone on too long, and I hope that finally can find some reasonable resolutions to these problems.

We are all interested in one thing, effective programs and making the buck stretch as far as it can go to get to the people who are most in need.

Let me ask our panel this, and whoever wishes to answer. Who is responsible now for integrating everything, the Empowerment Group, the Interagency Council? Who is it that tries to pull it all together?

The **Chairman**. Who integrates the integrators?

Mr. **Gilman**. Right.

Ms. **Kondratas**. Well, let me just say, a lot of these groups were formed by different bodies for different purposes. Some of them are legislatively mandated, others are administration initiatives, but I think probably the one organization that includes most of the agencies and many of the other groups on which I serve, because I think I represent about eight such interagency efforts, is the Economic Empowerment Task Force of the White House, because it also has White House coordination.

It is a place where states, for example, can come for One-Stop Shopping to request waivers that might have to be processed by a number of departments. It is the place that tries to—that coordinates administration policy for each department.

Mr. **Gilman**. Who chairs that?

Ms. **Kondratas**. Secretary Jack Kemp chairs that task force, but it is——

Mr. **Gilman**. Is that an attempt to pull in all the integrators, as our Chairman said, "Who integrates the integrators?"

Ms. **Kondratas**. It's a working group of the Domestic Policy Council, so it's a working group of the President's main advisors on domestic policy, and it clearly represents the Cabinet Secretaries of the administration that deal with domestic policy.

Mr. **Gilman**. Well, Ms. Bertini, do you have input into that Empowerment Group?

Ms. **Bertini**. Yes. I serve on the group.

Mr. **Gilman**. You do. And, Mr. Rolston, do you have input?

Mr. **Rolston**. Martin Gary is the representative of the department, he's the Assistant Secretary for Planning and Evaluation.

Mr. **Gilman**. Does local government and state government have some input in the Empowerment Group?

Ms. **Kondratas**. They are not members of the Domestic Policy Council Working Group, but they certainly, in various ways——

Mr. **Gilman**. Is there an advisory council?

Ms. **Kondratas**. We do not yet have a state and local advisory government group advising the working group, but we certainly have numerous contacts, especially in our departments, we work with very different groups representing such bodies.

Mr. GILMAN. Secretary Bertini?

Ms. BERTINI. Mr. Gilman, we do also have, as created by the Farm Bill, this Welfare Simplification Advisory Committee, which will have between seven and 11 members, including state, local managers and advocates and/or clients, as well as federal administrators, or people who have been in federal programs before.

Mr. GILMAN. Is that for all social service programs?

Ms. BERTINI. It's for HUD, with Housing, Medical, Welfare, AFDC-related and food assistance programs.

Mr. GILMAN. And, that is about to be created?

Ms. BERTINI. It was created as a result of the Farm Bill, and we're in the process now of going through the——

Mr. GILMAN. Putting it together.

Ms. BERTINI. Right.

Mr. GILMAN. Well, I know that our Ranking Minority member, talking with the Empowerment Group, and I hope, Bill, you'll be able to remind them of our concerns. I'm sure you will.

Mr. EMERSON. That is my purpose.

Ms. KONDRATAS. It sounds like the integrators need to be integrated as well. I think that's very true. It's a real problem, but let me add that Ms. Bertini, in her role as head of this group created by the Farm Bill certainly contributes at the Economic Empowerment Task Force in terms of updating us and involving us in that particular group. So, I don't think that where we have two groups that run side by side. We are usually the same people, and we are very much cognizant of all the different directions that have been given us by the creating bodies.

Mr. GILMAN. Well, I hope we can finally get to One-Stop Shopping for all of these services, that we can get to a practical way of outreach, and I want to commend Secretary Bertini for listening to some of these better outreach programs. I see you've also noted that one of my counties, Rockland County, provides nutrition information to the Food Stamp population at the supermarkets, and I think that that's another example of what we can and should be doing.

Too often, we hear of our welfare beneficiaries not knowing about all the programs that are available, and not being able to take advantage of them because of a lack of information, proper education, proper outreach programs.

So, I hope that you will focus attention on that.

I think these poverty thresholds, the different kinds of definitions, the income eligibility criteria are differing from program to program will have to be straightened out. It would seem to me that these would be very basic things that the coordinating people can and should be doing.

Why can't there be a massive informational effort to make certain that those in need are going to know where to go and how to go about getting the programs that we've adopted that are on the books, and are not being made available to them because of a lack of information?

I hope that certainly you'll be addressing that. So, my thrust is, go to it on the integration, but let's not come back again next year, with Mr. Espy, Mr. Emerson, and myself being here hearing about the need for cutting through the integration, worrying about the turf problems, and cutting down the duplicative administrative costs.

Ms. Bertini, did you want to——

Ms. BERTINI. Yes, sir. I'm afraid no matter how much we do, next year we could still be back having that same conversation. I wouldn't be honest if I didn't say that, only because there is so much to do.

And, I'm glad you referred to the list, because we did leave a list of some of the good things that the states are doing, hoping that, perhaps, we can get ideas collectively, the states can share ideas and, perhaps, the committee can get some ideas from what's happening in the states as well, and that was the purpose of putting that together.

But, one thing we mentioned, that I mentioned at the beginning was, and a lot of other speakers did as well, was that, in addition to any integrating that we do, you all have a fair amount of that to do as well, with all due respect.

And, one thing that we hope the Hunger Committee will be able to do is to be able to deal more with some of these other committees, and Mr. Emerson mentioned, for instance, that Congresswoman Kennelly and Congresswoman Johnson were here from the Ways and Means Committee to talk this morning, and if we had, for instance, Ways and Means Committee membership, if you had Ways and Means Committee membership on the Hunger Committee, perhaps——

Mr. EMERSON. We do.

Ms. BERTINI. That would help.

Mr. EMERSON. Mr. Dorgan.

Ms. BERTINI. I'm sorry, I wasn't aware, I thought there were none, but I would propose that the Hunger Committee could play a very important role in this process beyond hearings, but in terms of coordinating among the committees, because we all—we're kind of all separate little chunks.

Mr. GILMAN. That's why we're conducting this kind of a hearing, certainly, and we'll welcome your recommendations, all of you, as to where you think there are some legislative needs, but from my cursory examination, it looks like we've got more of a bureaucratic problem than we have a statutory problem, and it seems to me that someone at the top needs to pull all of these together. Seventy five programs, 11 committees.

Mr. EMERSON. One hundred twenty five.

Mr. GILMAN. One hundred twenty five programs, I'm not up to date. But, gosh——

Mr. EMERSON. I thought it was 96.

Mr. GILMAN. Well, I would hope that you might examine all of these duplicative administrative costs that are wasting all of these important dollars when we have so few dollars out there.

And, I'm sure you can come up with some great recommendations for us to pursue, as well as for the bureaus out there.

Let's not come back next year and go over the same material.

Thank you very much.

Mr. EMERSON. Would the gentleman yield before he relinquishes his time?

Mr. GILMAN. I'd be pleased to yield.

Mr. EMERSON. I just want to say that, first of all, I want to thank this panel of witnesses. I think it's one of the finest panels we've ever had on this subject before this committee.

And, I've got to tell you what was impressive, is that these are people who know the problem. I mean, they have hands-on experience, and they have experience in the subject areas that we're looking at that goes beyond their service in their respective agencies and departments.

And, it's sort of their life's background. They do know the problems, and I feel that we've got a better level of attention right here, right now, then we have ever had before, and that is a reason for which I have some optimism.

I know, I work with the Agriculture Committee, the Nutrition Subcommittee, I worked day in and day out with Catherine. I don't have as extensive an opportunity to work with Mr. Rolston or Ms. Kondratas as I do with Ms. Bertini, but there is certainly a wonderful level of reception there that I have not fully experienced previously, and I'm just delighted with it, and thank you all for your contribution here today.

Mr. GILMAN. I thank the gentleman for his comments, and I, too, want to associate myself with those remarks.

We appreciate what you are saying, and your testimony is well taken by this committee. Now, if you can only convince the bureaucrats out there to listen to you, all will be well.

Thank you very much.

The CHAIRMAN. And, you are welcome back any time. The fact that we kept you and quizzed you for well over an hour and 45 minutes gives you some idea of the seriousness with which we view the problem and the importance that we attach to your testimony, your presence, and the great value of your just being here.

So, thank you for coming, and we appreciate your testimony.

We call our third panel. Mr. Andrew Hornsby is the Commissioner of the Alabama Department of Human Resources. He's responsible for the state's Food Stamp program, AFDC, and a host of other social service programs. He's with us today to discuss Alabama's demonstration project called "Avenues to Self-Sufficiency Through Employment and Training Services or Assets," and its impact on attempts to streamline and simplify the Alabama State Welfare System, and to assist public assistance recipients in their efforts to achieve self-sufficiency.

Mr. Hornsby is accompanied by Ms. Judy Bernier, who is the Director of the Office of Planning and Demonstrations.

Joining Mr. Hornsby is Mr. Thomas Eichler, Secretary of the Delaware Department of Health and Social Services, which is the state's largest Cabinet agency. He's served in the position since 1985. He's long been involved in efforts to improve the operations of government, as is demonstrated by his other Cabinet assignments on the Management Improvement Committee, the Advisory Commission on Improving State Efficiency and Effectiveness, and the Advisory Board of the State Management Development Institute.

Ms. Maria Rodriguez is also joining the third panel. She resides in Delaware, and is the mother of five daughters. A short time ago, she received public assistance benefits under the Delaware Department of Health and Social Services. However, having participated in the First Step Program, the state's Employment and Training Program, she has secured a job with the Family Court for the State of Delaware and is working her way to economic self-sufficiency.

Ms. Rodriguez is accompanied by Ms. Gail Womble, the Acting Director of the Division of Social Services.

The final member of the panel is Mr. Gary Stangler, who was appointed Director of the Missouri Department of Social Services by Governor Ashcroft in 1989. He's a member of the American Public Welfare Association's Executive Committee, and Chairman of his Healthcare Committee. He is here on behalf of the American Public Welfare Association.

So, we welcome to all of our panelists.

The CHAIRMAN. Mr. Eichler, would you care to go first?

STATEMENT OF THOMAS P. EICHLER, SECRETARY, DELAWARE DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Mr. EICHLER. Thank you, Mr. Chairman, Mr. Emerson, it's a pleasure for us to be here today and to participate in your deliberations on integration and simplification of public assistance programs.

Let me say that in Delaware, under our Governor's leadership, under Governor Castle's leadership, we are very committed to the integration and simplification, and it's part of our belief that the delivery system itself should not be a barrier to what the clients receive in terms of the services that they have coming to them.

In our state, we have a Cabinet form of government. We have a Department of Health and Social Services, which is a super agency, and, as such, we have the opportunity to coordinate and integrate many, many of our programs, and that, perhaps, gives us an unusually sharp focus on the opportunities to do some integration.

I also want to mention that this is something that we've been doing for many years within our department.

Let me mention also from our perspective that the human service environment of the 1990s is going to be a very exciting one, and all the more reason for the enthusiasm we have for the focus of your committee.

We believe that some of the problems coming our way include the clients with complex problems affecting the entire family, not just individuals, limited budget growth with which to respond to these needs, and, in many cases, a continuing lack of integration with the Federal programs that we try to operate.

Some of the opportunities coming our way include the expanding employment opportunities for our clients, the new technologies for greater efficiency and support for case worker decision-making, and also the opportunities for continuing to tap the private and community resources as we go about networking our services.

If you have my comments in front of you, let me invite you to flip to attachment A, which I think outlines, in a sense, kind of graphically, both the problems and the opportunities that we see coming our way in the future.

The needs of our clients are growing in their complexity. The programs have become more complex also, and often come to us without being integrated at the federal level.

Also, our professional knowledge of what constitutes appropriate care is evolving and we are developing an ever-more sophisticated continuum of care. There's no longer a one-size-fits-all world, as we strive for the best services for our clients in a least restrictive environment. All this adds new complexity.

The resources, whether technological, financial or human, have not remained static either, challenging us as managers to provide the best possible combinations of services within a limited public pocket book.

At the Delaware Department of Health and Human Services, we have assigned to ourselves, to our bureaucracy, the challenge of making the complex program simple for the clients to use. This challenge is twofold, one of integrating the programs and the funding sources, while making it simple for clients and their families to access the ever more complex continuum of care.

And, let me just invite you to flip to attachment B, where we try to depict what that is all about. We show a wide range of sources, including funding sources, a continuum of care that is ever broadening, as we make it more appropriate, and in the middle we are trying to focus on behalf of our clients to given them simple access to a complex array of programs to meet their needs.

One of the major challenges for any public agency attempting to integrate services, even when an unusual number of them are within your own agency, is to identify some overriding themes and principles which transcend the organizational boundaries. If they are well chosen, they will help provide the steady compass in the cross currents of various program demands.

At the Delaware Department of Health and Human Social Services, we have committed ourselves to working with individuals and their families to maximize their independence, that's our top goal. This is a client-centered results-oriented commitment that's quite different than saying "timely eligibility determination." It is quite different from saying, "drop off your family member and we will take care of them from this point on."

Our commitment to maximizing independence is teaching us new lessons on how our clients can, in fact, achieve, whether welfare recipients, visually impaired or the mentally ill, just to mention a few. This perspective on working with our clients also causes us to be very empathetic with our clients and their families.

One result is that it helps us to see the barriers or limits which the delivery system itself may be imposing along the way to maximizing independence.

From this perspective, complicated application forms, and service hours, and staff attitudes, and busy phone lines all take on a new significance.

We also know that mastering the system can also become an alternative to independence from the system, if we let the system itself become too formidable.

Our second goal is that of being a self-correcting organization. From the lessons that we've learned in working with our clients, has caused us to develop an internal management commitment of becoming a self-correcting organization. And, by this we mean a commitment to constant learning, improvement of willingness to experiment all is part of our commitment to working with our clients.

Self-correcting recognizes that our clients and their circumstances are changing rapidly. Often this reflects itself in different services that are needed, for example, respite and day care are increasingly important to support families. Changing our program mix results from attention to our clients' needs.

If we are not committed to keeping pace, we'll become less relevant to the clients' needs, and the system will slide from one from promoting independence to one of maintenance.

And, with those two goals in mind, we've developed some building blocks for improving our programs, and they include our physical resources, our informational resources and our human resources, and first of all let me mention the physical resources.

The first of these physical resources is best exemplified by our network of state service centers. We have 12 centers, four of which are called "major" centers, and the other eight are what we call "satellite" centers. We attempt to make them one stop as much as possible.

We locate them as close to the community as possible, and, hence, we have more smaller centers in the rural part of our state.

Even when a particular center does not offer a service on site, staff is available for referral.

Further, we expect our service center staff to be personally networked with other non-governmental community services. Last year, our service center complex experienced over a half a million client visits, and that's quite a number, we believe, for as small a state as Delaware.

To the extent possible, we house the services of other sister agencies as well. At various locations, these can include programs from our Department of Corrections, Labor, Department of Services for Children, Youth and Their Families. Numerous non-governmental agencies are also co-located within our service centers, including Head Start, senior centers, alcohol and drug counseling programs.

As you can imagine, great care is taken in determining the exact location of service centers and the menu of services to be offered in each. The quality of the physical facility is important. Considerable investment has been made in upgrading the appearance of older facilities. Clients have more confidence in the quality of the programming inside the building, if the building itself is inviting.

We find in many cases that a client comes into the door looking for one service, but their success may be enhanced if we get them connected with others as well, through the referral that happens within the building.

For example, a prenatal clinic client may be connected to W.I.C., and Food Stamps, and Medicaid and possibly Child Support Enforcement. An A.F.D.C. client may be connected to our First Step Employment and Training Program, and Parenting Education.

The possibilities are endless, the single location is key.

The second building block, informational resources, is key to enabling us to manage growing program and client diversity. It is key also to our goal of decentralized decision-making. We have a lot of confidence in our direct caregivers, whether a social worker, a public health nurse, or a long-term care ombudsman, to make good decisions on behalf of our clients, but they can only do so if they have appropriate and timely access to information, information both on the client and available programs.

To facilitate this, we have made major commitments to utilizing what modern data management can do for us. Our central mainframe data system, located in our Biggs Data Center, supports Welfare, Medicaid, Child Support, Health and a growing number of other major data base management systems.

Central to all this is an early commitment to integration. In this case, each client receives one identifying number when first entering our system. All programs use this number, thereby allowing the department to cross reference its clients across programs.

Another key decision is that we use information systems to take the paperwork out of the hands of staff as much as possible, freeing them to pay attention to the client. For example, our A.F.D.C. system includes an automatic grant calculator relieving social workers of the burden of figuring the monthly grant award.

Our newest innovation in this area affects our Child Support Enforcement Program, using our modification project grant from the Office of Family Support, we have just automated our Melson Formula used to calculate the support orders for both parents. This will reduce staff time devoted to arithmetic in favor of working with both parents on support agreements.

The unrealized potential of using information management to benefit program integration is enormous, and I will illustrate with a few more examples as we focus on human resources.

The third building block, and the one that we have belatedly recognized as the most critical, is our human resource, and by this we mean our personnel who provide direct client services, and the staff who support them.

The other two building blocks, physical resources and information resources, only exist to facilitate the interaction of our staff and our clients.

We look to our staff to reflect care for the client, knowledge of the system and focus on results. We find ourselves placing more and higher greater expectations on our staff. Our array of programs is no longer a one-size-fits-all.

As we broaden the continuum of services, we depend on staff to take the measure of what the particular client may need and to refer to the appropriate part of the service continuum.

If we are succeeding in the maximizing independence part of our client commitment, we often expect to see the client move through a particular part of the continuum to another. This all takes staff judgment.

We recognize that clients have complex needs, and the staff experts from one program area, say, A.F.D.C., needs to know a little something about all the other program areas and access requirements.

More and more, we are seeing our direct client staffers as case managers. Even when we expect them to be something less than a case manager, we still expect staff to be alert and assertive on behalf of client referral needs.

In our commitment to working with our clients, we are seeing our staff more often as coaches, helping to bring out the best the client or family can achieve. This role, for a social worker, for example, is quite different than just being an eligibility worker. It takes more training, but is often much more rewarding and the appealing side of the job.

One of our latest innovations in this area is one we have jointly done with the United Way of Delaware. We have just combined our information and referral hotlines. We now have merged our respective staffs at one location.

When the one statewide 800 number rings, a staffer responds, providing access to over 450 public and private programs. The caller does not know whether it is a state or private program person they are talking with, nor do they necessarily know whether the resulting referrals are to public or private programs, nor usually do they care.

This joint referral system is supported by a computerized data base using an artificial intelligence expert system, so the staffer can quickly call up on the screen the nearest service center, food closet or whatever is needed closest to the caller.

Through call transfer, the client will be linked to the service without having to take another call.

Training, automation and support of organizational climate are all necessary ingredients to staffers successfully working, both across internal and external organization boundaries on behalf of our clients.

Our commitments to the client of being a self-correcting organization, also along with our three resource building blocks, translate into a quality of service which we strive for on a daily basis.

We would like to offer a couple examples that demonstrate how these elements come together to provide integrated service.

The CHAIRMAN. Tom?

Mr. EICHLER. Yes.

The CHAIRMAN. I would just ask you if you could dispense with the case examples, because we have the best case here before us, Maria is here, and she can speak for herself, and we'll question her.

Mr. EICHLER. OK.

The CHAIRMAN. If you could move to your conclusion.

Mr. EICHLER. Will do.

The CHAIRMAN. OK.

Mr. EICHLER. In conclusion, I would like to make a few suggestions that I would like to leave with the committee.

First of all, we believe that care should be taken by the Congress and Executive agencies to understand the implementation challenges implicit in existing and new program directives.

I'm very pleased to hear about the initiatives between USDA and the Department of Health and Human Services on regulations affecting Food Stamp and A.F.D.C. Currently, those are integrated by our staff workers, as they sit with a client, and it would help us enormously if they could be integrated at the management level before they reach us.

Another suggestion is that integration through information management and automation is one of the good news things that technology can do for us. Our department has benefitted enormously from the enhanced 90-10 Federal Support for Information Systems. We think that some more things could be done. Technology is moving on, it's now possible to down size a lot of these systems. It would be good if we could get demonstration grants to do smaller projects that go beyond the scope of the current 90-10 type of funding for major systems.

Also, technology transfer needs to keep pace with changing human service environment, and the innovations that are being made, and I think more needs to be done, and I think this committee's hearing today is one of the ways of helping all of us to know the successes that others are having, or also the failures, as we try many things on a pilot basis in many locations.

I think all of us are groping for the answers, and there needs to be an enhanced way for all of us to gain better insight and access to what's actually occurring.

Also, I would invite the committee to be mindful that divided jurisdiction over major public assistance programs tends to cause all of us to lose a comprehensive perspective on the results. Nutrition programs, for example, can become so subdivided between program funding categories and implementing agencies, that all of us can easily lose contact with their intended combined impact or the lack of it on our clients.

I would like to thank the committee for the opportunity to be with you today, and look forward to sharing with you some of the things that we are doing in the future.

The CHAIRMAN. Thank you. We appreciate your testimony.

Is Maria intended to supplement or compliment your testimony? OK.

[The prepared statement of Thomas P. Eichler appears at the conclusion of the hearing, see p. 107.]

The CHAIRMAN. Maria, we will hear from you briefly before we move to Commissioner Hornsby.

STATEMEMT OF MARIA C. RODRIGUEZ, PRIVATE CITIZEN

Ms. RODRIGUEZ. My name is Maria Rodriguez. First of all, I want to thank you for making me feel so comfortable here.

Ms. RODRIGUEZ. I was born in Florida, April 23, 1958. My family were also migrants. We came to Delaware and settled down. My father, was a hard working man, but the main thing he taught us, was that we were a family, we stayed together.

OK. Skipping over everything I've been through and everything since we were little, we've had a hard time of it. It turned out to be a poor family. I married at 16, figuring it was my way out of being poor and someone else ought to take care of me.

I now have five daughters, and I've been on welfare for 13 years since my first daughter was born. I found myself a single parent, that's why I had to go on welfare.

It was very hard for me when I was on welfare. I tried to stick with the job, and having five children and being so small, it wasn't so easy. I had to juggle through babysitters and take them with me when I couldn't do it.

I wasn't very proud of being on welfare, it was the only thing I could do. I needed the Medicaid for my children, and I needed the way to feed them. I tried getting out there finding myself a job. I once found a job in landscaping, there wasn't any medical insurance, and it was minimum wage, but I was proud of myself because I stuck through the whole summer, it was only a summer job.

I tried going back to school myself. It wasn't any kind of university or anything, but it was to get training in computers. It was a waste of money, I wasn't taught anything there, you had to teach yourself.

I went the last time to apply for welfare. I remember when my first daughter was born, we went to the old social service center, you had to sit there and you had to wait all day long until you were called. I was out there 6:00 in the morning, in the wintertime, waiting for the doors to open just to get in line. Now there is new service, you don't have to wait all day, you just go in, make you appointment, and then you apply and they give it to you.

The last time I went there, they asked me if I would like the First Step Program, and when my daughter was of age I could get accepted to go. Well, I volunteered to go, because it sounded good. I volunteered to go to the program. I studied. It wasn't easy, but it was what I wanted to do. And, if someone else was willing to help me, I wanted to do that.

My oldest daughter, who is here with me, she's gone through—she's suffered through a lot to help us get where we are now. We are not rich. We are still classified as poor, but we have our dignity, and we're happy where we are at. My daughter holds her head up now and tells people, "My mom doesn't clean toilets anymore. She works in a courthouse."

We still receive Food Stamps, but now that I have my dignity, and I'm proud of myself, I'm not ashamed to use them anymore. It used to be before, that you had to walk with your head down, because you were on Food Stamps, and everybody else was better than you were, which wasn't true. It's just, you couldn't get out of the hole. It just seems like since you were little you had been living that same kind of life, you always tried to find another way out, and you just end up back into the same thing, until someone comes and tells you, this is the way out, this is the way to find a better way. You need education on it, because if you don't have it or have someone else to help you, you are not going to get anywhere.

The poor are still going to stay the same poor, and, sure, there's always going to be poor people, but there's people that want to get out of it, there's people who want to better themselves.

I'm sure there were many times when I was on welfare, my kids were hungry, when Food Stamps didn't show up on time, or it was late or something, I found myself carrying 20, 30 pound bags a mile away from food closets just to feed my children. A lot of times I would stay without eating just so the food would last for them.

And, people think that you are getting a lot on welfare, that's not true. When you have to sit there and you have to budget out to make sure the food lasts for the whole month, it's not true. When you have to tell your children, no, you can't have it, or the Food Stamp is just to buy regular meals, you can't buy anything extra for them.

Like I said in my testimony, the time we went to the grocery without the Food Stamps, that was the time for my kids, they got to pick out their favorite food or what they wanted. All I can say is, I thank the First Step Program for helping me out, and I thank everybody who put it together.

Now, I can hold my head and say, I am proud, I'm happy for myself and for my children, and thank you for everybody who has made it possible.

The CHAIRMAN. And, Maria, we're proud that you appeared here today. We really thank you for that testimony, and you went through it sincerely and summarized it from your own experience, and we thank you for that.

[The prepared statement of Maria Rodriguez appears at the conclusion of the hearing, see p. 117.]

The CHAIRMAN. Mr. Hornsby.

STATEMENT OF ANDREW P. HORNSBY, JR., COMMISSIONER, ALABAMA DEPARTMENT OF HUMAN RESOURCES

Mr. HORNSBY. Thank you, Mr. Espy, Mr. Emerson. I'm proud to be here, and I'm very encouraged by what I've heard so far.

My formal statement will be submitted for the record, and so, I won't go through it as close as I intended, plus, a lot of what I had to say has already been said.

I did want to——

The CHAIRMAN. Without objection, your entire statement will be included as part of the record.

Mr. HORNSBY. Thank you, Mr. Espy.

I did want to say, though, I've been in assistance programs either at the state or federal level for about 23 years, and I've known of numerous initiatives like this that have been undertaken in past years. I've worked on two or three of them myself in years past, and I'm more optimistic, I think, than I've ever been. Really, nothing much has happened.

When you consider that our programs use different definitions for a household, we can't even decide what constitutes a household among the different programs. We don't know what income is from program to program. It's something in one program, and something different in another program.

What are resources? What are medical deductions? Those are four simple examples that we ought to be able to commonly define, and, yet, in the 23 years I've worked in assistance programs, that's never been done.

So, you may understand that some of my counterparts in other states are cautiously optimistic and will be watching very closely, but we are committed, we just have to do what you've asked me to speak on today.

Let me tell you one problem. I heard a little bit ago that maybe we don't need legislation. Rest assured, you need legislation, you have to have it, and what's going to happen is, when you propose some changes to the rules that create this bureaucratic nightmare that we operate under today, you are going to have people coming, in you are going to have advocacy groups coming here and say, you are hurting the elderly, you are hurting children, you are doing this, you are doing that. You are going to have OMB and federal administrators coming in here and saying, this is going to cost more money, you can't do that. You are going to have me and other state counterparts arguing on different sides.

I'm going to tell you about one argument and my good friend Tom Eichler may take another one. But, you've got to just say, we've got to do this. It's just too much at stake. States, today, we just don't have the money. You know what the situation is in Mississippi, Mr. Espy, I've talked with Beatrice Branch not long ago, and it's bad, it's bad in Alabama, Tennessee, other states, and Mr. Emerson, same in Missouri, we can't afford to continue to do business the way we've done business in the past, and so, I really hope we've got a chance to move ahead with this.

I'll just try to put in perspective what's going on, and if I can just briefly describe what happened probably in a number of Alabama counties this morning and the same thing in Mississippi and Missouri. There's a young woman who woke up and her husband had probably left her, and she had two kids, three kids maybe, and she needed help, she was desperate, her children were hungry and she found her way to an Alabama Department of Human Resources office and went in there, and, as Ms. Rodriguez said, got in line early this morning, and maybe got in, is probably still waiting there for her number to be called. Finally, they'll get to her worker, and the first thing we're going to do, we are going to lay in front of her a 22-page application in Alabama for AFDC, Medicaid. We'll send her to a different place for Child Support, and by the time she gets through that 22-page application, and we determine what she's eligible for.

Now, we've got a worker sitting there taking that information, that's probably been with us six months. Here's what we've thrown at her. We want you to learn the Medicaid program, we want you to learn the Food Stamp program, we want you to learn the Child Support Program, we want you to learn AFDC rules and regulations.

Now, I'll tell you what, I'm glad I'm not in that worker's shoes. I don't think I could learn it, and I don't think I could master it, and you wonder why the error rates are high, what you are hearing about right now today, is why their rates are high.

And, that woman is, she shouldn't be treated that way. Really, very frankly, she's got to lay there, and if she's eligible for the W.I.C. program, she's got to go to the Department of Public Health in Alabama. She may get free and reduced priced lunch applications from school. She may get a housing application for low-income housing help. On, and on, and on and on, we are processing applications.

You know, this is Earth Day. Do you know how many trees we are cutting down today for applications and paper. Food Stamps, you know, it astounds me that—I've been here 23 years, and really haven't—I'm embarrassed that maybe we haven't done better.

But, I just want to tell you a little about assets and I'll wrap it up. We got to thinking about, how can we do this better? What can we do to make it better, and we said, what is a dream world? You know what the dream world is, is that that woman that I described going into one of the Alabama counties this morning sits down in front of a worker whose got a computer terminal, and they enter all the basic eligibility information, household size, income, how many are in your family, Social Security numbers, everything that's needed is entered, and you don't have to be real bright to enter it in that computer terminal, you don't have to have a Master's degree in Social Work to do that. We can get that done by probably cheaper personnel, but you've got to be able to take that information and let the computer keep from making mistakes.

You know, right now today, one of our workers, and I know that Congress in its infinite wisdom had good intentions ten or 12 years ago when you passed what I call the "Welfare Cadillac Rule," that if a car is worth more than a certain amount of money, then you've got to calculate that excessive amount as a resource, and that's a good rule. We don't want people pulling up to our offices in expensive cars.

But, you know what happened out there in the real world when that happened, we buy these N.A.D.A. used car guides, and we have to update them every quarter, we buy thousands of them, and workers, every time they do a recertification have got to look up the price of that 1978 Buick and drop down $25.00, and they've got to refigure that and recalculate, and it's awful.

But, anyway, about assets, we decided that in a real world we want to be able to do this automatically, and by computer, not by paper processes, and so, I'm proud to say that assets is now in operation in three Alabama counties. It took us a good long while to develop it, and the computer system development, and we worked with the Departments of HHS and Agriculture, under that waiver authority, and we had to press and pull to get what we wanted to do, and we've merged together all of these policies, and regulations, to the extent we were allowed to. The law, where it prohibited us from doing something, we had to back off and we couldn't do as much as we wanted, but we, essentially, now, in three Alabama counties, have these processes merged together.

There's some controversial part of it. We are giving cash in these three counties in lieu of Food Stamps, and that's controversial. You know, it was hard to sell that in Alabama. You go to the Rotary Club in south Alabama and ask how many people think you ought to give out cash instead of Food Stamps, you don't get many votes.

But, the way we sold it on is let us try to simplify this program. Issuance costs for the Food Stamp program exceed $200 million nationally. It costs $30 million to print, count and burn Food Stamps each year. We've got armored car carriers driving all over Alabama, Mississippi and Missouri today. We've got bank vault space rented all over the place.

EBT may be the answer, I applaud Assistant Secretary Bertini in trying to go toward EBT, and I hope it works out, but we've been doing the Food Stamp program the same way since 1961 in the pilot days, that paper stamp. They are printed, counted and burned every month. They are counted 18 to 24 times in Alabama, each Food Stamp, and it's done every month.

And so, surely, there's a better way to do that.

Assets, we use one case manager, they take all the information down. We are real pleased with the progress we've made. We see increases in participation, though, since people find it easier to get services. They will take more services. Be careful of that, it's going to drive costs up, but I hope we won't hold back the program simplification because we help more people. We certainly should be doing that.

It's too early, really, in the life of the assets demo to share many conclusions. We have a four-year demonstration planned, and my statement has a lot of that in there, but I just want to add a couple of final comments and tell you that I have this dream that one day, in assistance programs, we can see, Mr. Emerson, what you said as we started out this morning, where a person like Ms. Rodriguez comes into an assistance office, and we sit down and really try to help that person. We try to make that person self-sufficient.

You know, we don't ask in that 22-page application, until well into the process, what can we help you do to get off of assistance? We need to help you get, you know, self-sufficient, and we are way too late in the process to do that, if we do it at all.

Let me tell you, though, even though I think this is a great start, and I hope it happens, I am cautiously optimistic. You may consider broadening the waiver authority to states. I believe if we had more authority to experiment more, now you are going to have advocacy groups coming here and saying they are hurting people out there, and all of that, but you can't simplify and keep everything the same way. Avoid that trap when they come in.

You may spend more money, and OMB, of course, is going to be in saying, you know, don't spend anymore money. Well, you may have to, if you help a few more people, so what.

So, be aware of these things. I'm looking forward to it, but consider broadening the waiver authority extensively, so states can undertake creative ideas like assets, and First Steps, and others that are going on around the country.

I'm not sure it will get done otherwise, unless we show you that we can do it a better way. You know, we've had the gentleman from American Samoa, and I sat here and thought about how different it is for American Samoa all the way over to New York. We have differences in Alabama. What works well in north Alabama won't necessarily work well in south Alabama. We need to be able to have a little flexibility. We need more flexibility. We are not going to hurt people. State administrators do not wish to do that. Our governors won't let us, and rightfully so.

So, trust us. We can make these programs better, but we need your help. If we can't get your help, let us try it on our own.

Thank you very much.

[The prepared statement of Mr. Hornsby appears at the conclusion of the hearing, see p. 128.]

The CHAIRMAN. Thank you, sir. Judy, do you have anything to add to what he said?

Ms. BERNIER. Not at this time.

The CHAIRMAN. OK. Gary.

STATEMENT OF GARY STANGLER, DIRECTOR, MISSOURI DEPARTMENT OF SOCIAL SERVICES

Mr. STANGLER. Thank you, Mr. Chairman, Mr. Emerson, good to see you.

I will be brief. Everything that I would have said has been said, especially articulately by my colleague from Alabama, who is well known for his oratorical skills.

The American Public Welfare Association has a long history of involvement with you and your committee. We gave an award, our highest award last year, to Mr. Emerson for his work, and staff to staff, we have a lot of recommendations on unifying the programs, and I prefer to use the word "unify" as to integration, and coordination and collaboration, and all the other words we use, because what we are really talking about is bringing things together into the single program, if possible, where, instead of, as Mr. Emerson noted, a social worker can't be a social worker, we get down to a generic worker that tries to deal with the family's needs.

I would leave you with three thoughts. The first is a sense of urgency in what you do. We are dying out there. Our workers are being crushed by case loads, delivery is slipping, timeliness is going by the waysides. I've added 40,000 people in the Medicaid roles just in the last year in my state, because of the mandates, and the issues, without new workers, because of the recession, we are in real trouble out there.

Second, I think we need to break business as usual, whether that's One-Stop Shopping, which I think is the right idea. I believe that the dominant cultural paradigm in our society is the shopping mall. Everybody understands a shopping mall, everybody knows how to deal with a shopping mall. I believe that the shopping mall ought to be our model for the service for the delivery of human services, just as it is for the goods and services in our society.

Third, under that, Mr. Emerson talked about modern technology, whether that's EBT, whether that's Smart Cards that can be programmed remotely, I believe that for people like Ms. Rodriguez, and that lady that's waking up in Alabama or Missouri and Mississippi this morning, not only is she going to have to get to the office, she's probably going to have to go to the county seat, which, to use Mr. Emerson's words as an example, can be an arduous task, in terms of the typography of the state.

And, yet, here I am in Washington, D.C., constantly in contact with my office, through fax machines, and telephones, and pagers and all of this, and, yet, I'm going to make Maria and all the people like her in Missouri get up, find a way to drive to the office, probably drag the kids along, probably spend the day trying to do that, just to access the benefits.

We ought to have satellite offices. We ought to have all kinds of ways for people to get benefits out there, because even though the shopping mall and the metropolitan areas drive our program design, I have a tremendous problem in rural Missouri, and in Mr. Emerson's district, again, not to belabor it, we have counties very depressed economically, not unlike Mississippi. The extraction industries that have gone downhill, I've got 20 to 30 percent unemployment rates, people who need assistance, and, yet, despite all this technology at our disposal, I make them come in and hand write out their application if it's long.

Finally, again, unifying programs, integrating programs, I don't really want to talk about coordination. We coordinate pretty well out there now. We need to integrate the programs, and I need to be able to administratively push those, so that we can get to a point where we are looking at a family and provide assistance saying, now, here's your Food Stamp worker, here's your W.I.C. worker, here's your Child Abuse worker, and so on and so forth. I don't want necessarily demonstration programs.

Mr. Chairman, it is no mystery what we need to do out here. We know what to do. The states know what to do. I'd agree with my colleague, we need some waivers, we need to experiment, but southeast Missouri is nothing like southwest Missouri, and it's not like north Missouri, and I've got to do things differently in each parts of the states. I need the authority, I need the flexibility to do those things, because it's got to work in the streets, it's got to work in the small towns, or it doesn't matter what you and I do up here, and what laws we pass, and all our interagency task forces, unless it happens out there in the real world, in the streets.

Let us try it, nothing stills the political debate like success, and we will be successful, and we will make a difference, let us try.

Thank you.

The CHAIRMAN. Thank you.

[Prepared statement of Gary Stangler appears at conclusion of the hearing, see p. 150.]

I think this has been a great panel. You know, you are on the front line of service delivery, and you've made a lot of great suggestions. We've gone from shopping malls to saving trees, just in this panel alone.

I've got a couple of questions, very general, but Mr. Hornsby sparked some attention in me in the sense that when you are speaking to the Kiwanis Club in south Alabama, how can you guard against cynicism when you try to promote a cash program instead of a voucher program? Do they question you about the level of nutrition? I would imagine that many would just think that the recipients would take the cash and, go do whatever.

Can you give us some success stories, promoting this very controversial program, and also, with regard to the child enforcement part of this, what's been your success rate, if any, on making sure that the recipients can also abide by the regulations with regard to child support enforcement?

Mr. HORNSBY. On the former point, Mr. Espy, you go to the Kiwanis Club in south Alabama, they are very conservative in nature, and I always try to get their attention first by saying we want to save you some taxpayers' dollars, and they usually warm up to you a little then.

You know, the Congress cashed out the Food Stamp program in Puerto Rico and put in place a Block Grant Food Stamp program in 1982, and I had some responsibilities as a federal administrator for that. And, I think the most surprising thing that occurred in the evaluation of the cashed out Food Stamp program in Puerto Rico were two factors, one, people using cash instead of Food Stamps in Puerto Rico did not spend less on food in a month than people were using Food Stamps, and, second, there was no noticeable drop in nutritional intake of food using cash instead of Food Stamps.

Now, that still won't fly in Alabama. They still are suspicious, they still suspect that low-income people are not responsible, and you need this controlled benefit.

So, I talk about EBT a little, and I think, really, in the out years, that's the way to go.

We want to see what happens nutritionally to those families in our three test counties, and we are going to compare them. We are going to do 24-hour food recalls and see what happens, and so, it will be good research to have. But, there is a tremendous amount of cost savings. I have 1,200 people processing Food Stamp applications and 500 processing AFDC applications. I need to merge those staff together and get them into jobs. That's what really we need to do.

The second point on child support, I disagreed with many of my state counterparts. I believe you ought to require child support participation as a condition of eligibility in the Food Stamp program.

In our three test counties in Alabama, we have seen a tremendous growth in the Child Support Enforcement program, where we are requiring it as a condition of eligibility. I think a lot of our arguments that I heard when I argued with some of my counterparts was that we need more money to administer the program with, but I don't know, there are 60 something percent of the households receiving Food Stamps in Alabama need Child Support services. It's not right for them to come in our offices and walk out and not get it.

The CHAIRMAN. Back on the question of cash assistance versus vouchers, how do you monitor the ancillary effects, meaning, how do you protect the recipient against increased demands from other folks, like landlords, and car dealers, knowing that they've got cash in their pocket instead of non-transferrable coupons, how do you do that, or is that a problem?

Mr. HORNSBY. Well, you know, that's, again, going to be some of the research we are going to hope to hear back from, and I don't think it's happened to that great degree in Puerto Rico.

You know, Food Stamps are somewhat of a currency. You hear rumors, I know you've probably heard in Mississippi, occasionally it happens in Alabama, somebody diverts Food Stamps to a non-food item, and they'll sell Food Stamps for 50 cents on the dollar, and purchase alcohol or whatever, and it can happen with that program as well as with a cash program.

I just believe that the—I asked Secretary Kiyazo, from Puerto Rico, when we put the program in down there, I said, "Why did that happen? Why did people not divert their cash to non-food items?"

And, he said, "It's this simple, Mr. Hornsby," and I don't know if it is, he said, "People will breathe first, drink water second and eat third." So, I don't know.

The CHAIRMAN. Thank you.

Mr. Eichler, in Delaware, do you have a high rate of turnover in case workers?

Mr. EICHLER. Yes, we do.

The CHAIRMAN. Why, specifically? Is that because they are obligated to learn the intricacies of the programs across the range of the programs, or is there another reason for that?

Mr. EICHLER. I think that that is part of it. Part of it, too, is that there's a certain amount of job ladder that the people come into one assignment and master that, and after while there's other opportunities for people doing social work.

One of the things we try to do to combat that is let them be social workers as they are welfare workers, to let them do more things and interact with the client, rather than simply processing paper.

If they can get more of a sense of job satisfaction from helping people, rather than simply being benefits managers, then I think that we'll find that they are doing what it was that led them into that field of endeavor in the first place, and they'll be more inclined to stay with it.

The CHAIRMAN. Maria, I'm interested in following your path. Who determined whether you were best suited for work in the court, the Delaware Family Court, how long was this employment and training evaluation, and what kind of benefits, i.e., health benefits, do you receive from your work now that you didn't get before, and how does it match your skills to what you are doing now?

Ms. RODRIGUEZ. How did the training program match my skills to my work?

The CHAIRMAN. Right, I mean, did you go in there and say, I'm willing to do any job, or was there some kind of skills evaluation? Did you test better for one vocation versus another? And, how flexible were they in deciding where you would end up?

Ms. RODRIGUEZ. OK. The training program, it's on typing, on basic English, math, whatever we need to know, job search skills. We learned just the way of the job-related world. We learned everything that had to do with it. I mean, they brought us up to a point that we weren't low-class people anymore, we were people up looking for jobs.

It took six interviews before I got my job? I went in, there was no kind of test or anything like that, it was just an interview on a one-to-one basis, depending on if you wanted to work or not. It wasn't only what you had or what you didn't have, it was if you wanted to work, and I had the skills, I had the typing.

The CHAIRMAN. Could I ask, perhaps, Tom, how many private companies or private firms or entities in the corporate field involve themselves in this initiative?

Mr. EICHLER. I really have no idea. We don't select certain corporations and hope that they will take our clients. Really, they are in a competitive work environment, and I think wherever the market will take them.

What we do do is, when the clients come into the First Step program, they go through an initial assessment, and this assesses their aptitudes, and their skills, and their social skills also, and from that a kind of prescription is written, and each client sits with their case manager and they kind of negotiate that, and they say, where do you want to end up, what are you interested in? Here's the strengths that you seem to have at the moment, here's what kind of remediation or training you may need for the future, and they kind of reach an agreement, and from that they decide which of the training programs is most appropriate to them, and I think things kind of go on from there.

I'm sure we have many, many of our employers who are benefitting from our First Step graduates, but I literally have no idea how many of them there are.

The CHAIRMAN. How many clients are in the program?

Mr. EICHLER. We've, since we started, we've had over 3,000, and many of these clients have succeeded so well that they've gotten full-time jobs, and a significant number of them have been able to leave the welfare rolls entirely. So, it must be working.

The CHAIRMAN. For sure.

Maria, did you want to comment?

Ms. RODRIGUEZ. I just wanted to express the fact that my whole time through grade school and high school, I failed math, and the only reason they passed me is because I tried so hard.

The First Step program, it's like they worked a miracle, I got A+ in math. I mean, I can do fractions now!

The CHAIRMAN. Bill.

Mr. EMERSON. Well, Mr. Chairman, this is an excellent panel. I've got so many questions, if I started asking them, one thing would lead to another, and we'd be here all afternoon.

I want, first of all, to say to Mr. Eichler and Ms. Rodriguez that we apologize for having to postpone our planned field inspection trip to see you all last Friday. Chairman Hall was asked to go to Turkey and northern Iraq about the refugee situation there, and I was asked to be the Minority leader on a trip to Iraq, Saudi Arabia and Kuwait over the weekend, and we, of necessity, had to cancel our visit with you, but we are rescheduling it, and we'll be there soon.

Mike, you may want to go with us, I think, if your schedule would permit. We wanted to be informal, to go spend a whole day with Mr. Eichler and Ms. Rodriguez, and have them teach us, and walk us through what they are doing, because Delaware does appear to have the best coordinated and integrated welfare system that we've heard about.

It's not denigrating other states who are doing great things, but, frankly, when we found out what Delaware was doing, it seems they are doing what the subject of this whole hearing is about. I think they could probably do more, if they were granted additional waivers, and we had some restructuring in law on the subject. I think they have been very, very innovative, and, Ms. Rodriguez's stories is one of the great success stories. We need to have tens, hundreds of thousands more success stories like her's. They are doing something right in Delaware, and we want to come spend time with you, and not be hurried about it, and genuinely learn by seeing everything that you will show us.

Maybe if a whole day isn't enough, we'll come back again.

Mr. EICHLER. Well, we look forward to your visit.

Mr. EMERSON. Well, we are really looking forward to it, and we're very disappointed that we had to postpone last Friday.

Mr. EICHLER. We certainly understand the priority of that trip.

Mr. EMERSON. I think this panel, all of you have given us tremendous testimony, and identified the problems. Listening to you, I think you are right. It would be hard to single out any one particular thing you said. Everything you said had a gem of an idea in it.

One of the problems we have with meetings like this is, you come sit here and tell us about good things, and we sit here and listen, and we remember a lot of it as we go down the pike, but we don't have an ongoing dialogue the way we ought to.

I think the preceding panels here today were outstanding. I wish we could get all these people in sort of an ongoing bundle, of administrators, deliverers, recipients, beneficiaries. I think the solutions are out there. We might find, ultimately, that we could serve the purposes we are all trying to address maybe more cost effectively than we already are.

I think there's an assumption out there that if we do things better, it's necessarily going to cost more. I don't buy that yet. I'm not sure. That's going to have to be proven to me. I think maybe by doing them better we can have—by delivering better—we can have better results, and over the long haul, for a whole lot of reasons, wind up saving a lot of money.

And, you all are really on the leading edge of understanding the problems. I want you all to be ongoing consultants to this committee, and the other committees that we're going to be involved with as we move forward.

We've got a lot of very good competent professional staff behind us here, and they know who all of you are, and you know who most of them are, and I think that we've got an obligation, as we seek to solve these problems, to have the ongoing dialogue. When we hit snags we'll talk to you, and when you hit snags you talk to us and tell us why something isn't working.You should feel free to do that. If you don't do it, we'll never find out.

I also want to encourage you not to get overly discouraged. I'm in my 11th year in Congress. When I first ran, I thought maybe I'd only serve one term, because I thought I could come up here and surely, within a two-year time frame, we could address the leading problems of the day, get them solved, and I'd go back to the private sector. I ran for Congress the first time because I was very frustrated, I didn't think things were working quite the way they ought to.

I've got to tell you, it was not until I got to Congress I really understood what the word "frustration" was all about. But one thing I take encouragement from, one thing that's part of the beauty of our system, is the fact that—in our wonderful system, as many problems as we have—we've always got another opportunity to take, yet, another crack at it. Where we have failed in the past, we should learn to go on and try to do better in the future.

The processes of government are never done. We'll fix problems today, and in fixing certain problems we may create other problems, which you allude to, Mr. Hornsby. There will be threats, people will see us wanting to change how something is done, and they'll say, "oh, my goodness, that's going to create a whole lot of other problems over here." So it will, but even those problems can be resolved.

So, I guess I wind up being an optimist, and commending you for the very effective work you are doing. I'm saying to you, let us learn from you. We'll continue to work with the federal regulators, and maybe by all of us coming together, we can improve the system. I believe we can, and I really want to work with you toward that goal.

Thank you all very much for your contributions.

The CHAIRMAN. That's great. One question. Maria, if you were a Commissioner in Delaware, how would you improve the system? Do you have any ideas that you could pass on?

Ms. RODRIGUEZ. I can tell you one thing. There are a lot of lazy people out there that don't want to do it, but help the people that do want to do it, get them started in this First Step program. You would be helping a lot of people.

The CHAIRMAN. And, you would disagree with the comments earlier expressed by Mr. Bustamante, when he talked about the dilemma of the welfare recipient between working, not working and receiving more on welfare and not working than he or she wold receive by working?

Ms. RODRIGUEZ. There are people that are like that. They abuse the welfare program, but there are a lot of people that don't want to abuse it. You have to separate them and help those ones that do want to do it.

I didn't agree with him at all. I've been there, I know.

The CHAIRMAN. Well, I appreciate you telling us this success story. As Mr. Emerson said, we need more like it, and I appreciate all of you coming.

I think in terms of personnel, we are in good hands out there in the states, we just have to do a little bit better job at our level integrating everything and making sure that it works.

Thanks a lot. Thank you all for coming. This hearing has come to a close. Thanks.

[Whereupon, the hearing was concluded at 12:22 p.m.]

[Material submitted for inclusion in the record follows:]

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COORDINATION AND SIMPLIFICATION OF FEDERAL ASSISTANCE PROGRAMS

Many Federal assistance programs are designed to alleviate poverty and hunger among low-income individuals and families. This is a monumental goal requiring various services to meet a broad range of human needs. In order to facilitate efficient service delivery for those in need, some efforts toward coordination have been made across a few select programs. **However, in most cases, variations in program terminology, regulations and procedures cause conflicts in coordination, delivery and administration of services.** The complexities of the program maze can lead to increased State and local administrative costs and restricted access to services for potential clients.

> **Welfare applicants may be intimidated and overwhelmed by a system perceived as fragmented, confusing, uncoordinated and expensive. This perception may mean that some will not apply for necessary and available assistance.**

The Federal Government administers many programs which provide assistance to the economically disadvantaged. Seventy-five need-based or income-tested programs alone provide aid in cash and non-cash form to persons with limited income. In addition, at least fifty social insurance programs, such as social security and unemployment insurance, provide compensation benefits to those who are retired or unable to work. All of these programs provide a multitude of services including: medical care, food aid, housing, energy assistance, education aid or job training and placement. **The problem with this wealth of services is that most programs are equipped to meet only a single aspect of an individual's or a family's needs.**

Presently, Federal public assistance programs for the economically disadvantaged are under the jurisdiction of eleven different Congressional Committees, including Finance, Agriculture, Nutrition and Forestry in the Senate, and Ways and Means, Agriculture, and Energy and Commerce in the House. Several different Executive Branch departments, including Agriculture, Health and Human Services, and Labor and Treasury administer these public assistance programs. Further, a host of agencies within governmental Departments and in most cases, a variety of State and local agencies exercise authority over these programs. A lack of coordination among all of these entities has contributed to the difficulties in integrating human service programs.

Another source of considerable coordination problems for both public assistance staff and beneficiaries is eligibility criteria. The primary factors used in determining eligibility (i.e. poverty threshold, income eligibility criteria and the way in which "assistance units" are defined) have been found to be formidable obstacles to program coordination for the following reasons:

> Several different poverty thresholds are used for governmental and administrative purposes. For example, a 1986 review of poverty programs by the Domestic Policy Council found that, out of 59 poverty programs surveyed, seven used 100 percent of the poverty line to determine eligibility, while 20 programs used some multiple of the poverty income guideline. The remaining programs used various other methods.
>
> Income eligibility criteria, as defined by different poverty programs, can vary in significant ways. For example, in some programs only cash income is considered; in other programs in-kind or non-cash benefits are added to cash. Further, some programs consider income of other family members when determining eligibility levels, other programs do not.
>
> The definition of an assistance unit (i.e. family, household, individual) is very subjective and differs considerably across welfare programs. For example, the Food Stamp program uses the "household" as the assistance unit, which encompasses all household members who prepare and eat food together. The AFDC program uses the "family" as the assistance unit which includes dependent children, their siblings, and their parent or other caretaker relatives.

The financial toll of program conflicts continues to rise as program staff and administrators address multiple problems which impede human service delivery. The monitoring and auditing of applications from myriad agencies is quite costly as well. Further, the lack of coordination among welfare programs is costly for potential participants who must negotiate the system by traveling from one agency to another.

> Among the many advantages of coordination and simplification are: a reduction in unnecessary duplication of services and an increase in the provision of effective services for those who qualify for more than one program. Finally, the integration of public assistance programs will help make the system more comprehensible to participants, staff workers, administrators and policy makers.

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THE DELAWARE PROGRAM

The state of Delaware has designed a comprehensive human services program which strives to eliminate some of the complexities and conflicts involved in the application and administration of various welfare programs. By centralizing administrative and financial responsibilities at the State level and emphasizing community-based programs, Delaware promotes effective service delivery for its citizens.

HISTORY OF DELAWARE'S SOCIAL SERVICE CENTERS

In October of 1970, the Delaware Health and Social Services Service Center initiated the "one-stop shopping" concept by housing a variety of public and private human service agencies in one location. From this innovative project came the plan for the development of a statewide network of fourteen human service centers. Four centers housed administrative and service delivery personnel for three counties and the City of Wilmington. Ten other centers, located in strategic areas, housed direct service personnel. Today, after the creation of twelve more service centers, the Division of State Service Centers continues to administer multi-service facilities which house State of Delaware human service programs, as well as selected private sector programs. The services provided in each center are community-specific, and as such, thrive on flexibility and collaboration.

DELAWARE'S NETWORK OF INTEGRATED SERVICES

- **FIRST STEP** -- An employment and training program for public assistance recipients.
- **SMART START** -- Enhanced prenatal services for Medicaid-eligible pregnant women who are at risk during pregnancy.
- **CROSSROADS COMMUNITY** -- A psychosocial center and the first residential community support service in lower Delaware.
- **ACCREDITATION** -- Thirty-five community day programs for the mentally handicapped will be accredited.
- **EXCELCARE** -- An automated care plan system used in nursing homes which assists in problem-solving and more efficient patient care.

NANCY L. JOHNSON
6TH DISTRICT, CONNECTICUT

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Statement of the Honorable Nancy L. Johnson
before the
House Select Committee on Hunger
April 23, 1991

Mr. Chairman, Mr. Emerson, and Members of the Select Committee on Hunger, thank you for inviting me to testify this morning on the importance of coordinated service networks.

Developing sound policy today is not just a matter of determining the programs and money to address the problems of the nation's poor, but equally important, using that money so that services actually reach intended beneficiaries. According to the Congressional Research Service, in fiscal year 1988, the federal government spent $125.6 billion on 75 separate programs for low-income people -- an amount that boggles the mind of the average American. (Since then an additional program has been added to the federal roster, the 101st Congress's Child Care and Development Block Grant.) But despite the fact that every social service dollar is desperately needed, too much money is not effectively reaching its intended targets because it is not effectively used.

Lack of flexibility and coordination in the distribution of child welfare funds provides a useful illustration of what I mean. The country's foster care system is under greater stress today, to paraphrase Administration for Children, Youth and Families Commissioner Wade F. Horn, than at any time in its history.

Yet the system does not recognize that families can -- and must -- be helped before crack babies are abandoned in hospitals and children from troubled families are taken from their homes. We will not help these families if we continue to entitle money for the removal of children from families while capping preventive services dollars as we do today. Such a strategy merely ensures that families will break up.

The challenge to us must be to redirect assistance to troubled families in order to offer help in a way that is accessible to low-income Americans and with a timeliness that prevents crisis. Substance abuse treatment, family preservation counseling, prenatal and well-baby care, nutritional assistance, job training services .... in short, an array of programs are already at hand that would address the needs of vulnerable families before problems become intractable.

Child welfare is just an example. But one meant to demonstrate that we have the tools to reform service-delivery if we could just muster up the will.

The community health service network in Connecticut provides another, successful example of "one-stop shopping" that I believe we might profit from on the federal level.

"Healthy Start," a joint venture between two Connecticut agencies, our Department of Health Services and our Department of Income Maintenance, has enabled community health centers across the state since January 1, 1989, to act as service-delivery centers not only for maternal and child health services, but also for nutrition programs and other necessary help. Pregnant women and children up to 18 months old can go to their local community clinic and receive medical attention, WIC benefits, or substance abuse counseling under one umbrella. And if a particular service is not available at that clinic, information and referral is supplied.

Moreover, the clinics also act as data-collection centers and are able to provide client demographics and vital statistics to state and federal managers in a single report. Such information is indispensable in assessing the progress of federal programs and tailoring them to the needs of low-income families in the future.

I have incorporated the "Healthy Start" example into the Health Equity and Access Today Act (HEART), legislation I introduced in March that would, among its other objectives, unlock access to health care to the 33 million uninsured. I also plan to introduce legislation in the next few months to give states the flexibility to use foster care and child welfare dollars to promote the kinds of preventive family services I described above. Too often in the past we in the Congress, with our labyrinthine committee jurisdictional system and our penchant for spreading scarce federal resources among ever newer federal programs, have advanced confusion and disorganization in the field. My legislation is aimed at cutting away the tangled categorical morass so that services can be delivered directly to people in need.

Finally, I would be remiss if I did not guide the Committee's attention to the efforts of the Bush Administration to rationalize federal funding streams with its week-old reorganization of the Department of Health and Human Services. Secretary Louis Sullivan's decision to create a single Administration for Children and Families out of the old Family Support Administration and Office of Human Development Services is a welcome one, and I will close with a statement he made that I believe describes the goals of your hearing succinctly:

> With this consolidation, for the first time, the government will have a single agency bringing together the many child and family programs which have been created over the years. This will enhance the department's ability to serve America's children and families, and it will provide a strong base for new initiatives in the future.

Again, thank you for your invitation to appear before the Select Committee on Hunger this morning.

The Honorable Barbara B. Kennelly
Select Committee on Hunger
April 23, 1991

Thank you for inviting me to appear before you today. As a member of the Ways & Means Committee, I believe that the concept of coordinating our public assistance programs is a good one. I commend you for holding this hearing to explore this very difficult issue. You don't need me to tell you that the system for getting people the assistance they need is terribly complex. AFDC, Medicaid, food stamps, childcare- all have different eligibility rules and often different application forms.

Working through the maze of entitlement programs is difficult: workers in Connecticut's Department of Health go through months of training to understand all the rules and regulations. If educated social workers have a hard time with all this, how can we expect poor people, with all their burdens, to negotiate such a complicated system?

While it's certainly true that the complex regulations place administrative burdens on the states, my concern is that some of the inconsistencies among various programs are hurting the poor. For example, in the area of child support enforcement, we give the first $50 of any monthly child support payment to the mother in addition to her AFDC payment. That is, there is an incentive for her to make sure she gets the child support to which she is entitled. But, then the food stamp program turns around, counts that additional $50 as income, and substantially reduces that family's food stamp benefits. Does that make any sense?

In the area of child care, I worry that there are so many funding streams - Title XX of Social Security, Child Care and Development Block Grants and Title IV-A funds- each with different requirements, reimbursement caps, and payment rates. What that means is that one family, moving through the system from dependency to self-sufficiency, can sequentially come under several programs' rules. Different amounts of reimbursement are tied to where their childcare money is coming from, not necessarily to how much that family can afford at any given time.

I am also very concerned that families in Connecticut are not taking advantage of the transitional childcare under the Family Support Act. Why? Unlike transitional Medicaid, for which eligible people are automatically enrolled, transitional childcare requires a separate request. Families are often eligible for this crucial service, but are not aware of the fact that they have to apply for it. This simply doesn't make sense.

Last, as an example, I want to raise the issue of the forms used to ensure that clients receive all the services for which they are eligible. In Connecticut, the Department of Health has attempted to streamline the procedure as much as possible, by creating a single application which the social worker uses to ascertain eligibility for the whole gamut of public assistance programs. That application, I assure you, is long and complex, but at least it serves to ensure that people get the appropriate services. What's the problem, then?

The problem is that Congress has made a move toward shortened forms. And why is that a problem? Well, for instance, by mandating that there be a different, shorter application for pregnant women who are applying for Medicaid, we have made it virtually impossible for states to allow those women to apply for other benefits at the same time. That is counterproductive.

Anything we can do at the federal level to streamline the system would help assure that people receive the appropriate services with a minimum of hassle. Therefore, it is essential that we look closely at what we can do.

It is important to understand, of course, that the complexities arise, not out of conscious decision-making, but for a combination of reasons. First, of course, there is the issue of jurisdiction. Not all entitlement programs are designed by the same committees. And the Agriculture Committee which has jurisdiction over food stamps thinks about poverty differently from the Energy and Commerce Committee which has jurisdiction over Medicaid, which in turn thinks differently from the Ways & Means Committee which has jurisdiction over AFDC, childcare and child support enforcement. The unfortunate, but somewhat understandable, result is what we have: many different programs with many different rules.

The second reason we end up with different rules is cost. I can remember sitting in the conference on welfare reform and fighting over the transitional health and childcare benefits. Our discussion centered not on what combination of benefits would be most effective in helping women get off AFDC, but on what kind of benefits we could afford and for what period. Unfortunately, sometimes decisions made on this basis are counterproductive in the long run - from both an economic and policy viewpoint.

Third, each public assistance program exists for two, linked reasons. One, of course, is to provide assistance to poor people. The other, often unstated reason, is to encourage or discourage certain types of behavior - the classic example is not providing AFDC benefits to families with two parents, on the assumption that society should not be supporting able-bodied males through welfare.

In this case, there is a tension between encouraging work and breaking up families. And to the extent we encourage one over the other we complicate the rules and end up with various public assistance programs with often conflicting goals. At the bottom line of our social welfare policy, I am not sure it is obvious we have any clear message except perhaps confusion.

I am very interested in the notion of "one-stop shopping," in simplifying the application process as much as possible, and in looking at how inadequate staffing may contribute to clients not receiving all appropriate benefits. I am also interested in examining some of the failures in the current system and correcting some of the problems that stem not from flaws in federal policy, but rather from their implementation. For example, many of our inner city schools are eligible for school-lunch and breakfast programs. That means a child is eligible for these programs by virtue of attending such a school. Yet many of the recent hunger reports indicate that all the children aren't being served. In this case, I think we need to look at the actual administration of the program to see why the necessary outreach isn't being done.

Again, I thank you for inviting me to appear before you today and I look forward to working with you in the Ways & Means Committee on this very important issue.

Prepared by the Food and Nutrition Service (FNS) for the Select Committee on Hunger

Under FNS' demonstration project authority, the Agency has approved several State proposals for innovative ways to increase access to multiple programs.

1. **SIMPLIFIED APPLICATION AND STANDARDIZED BENEFIT PROJECTS** Under special authorizing legislation, FNS has approved special projects in Oklahoma and North Carolina designed to integrate the application process. These projects seek to reduce administrative costs by simplifying eligibility and benefit amount decisions, and distribute benefits efficiently and equitably. Food Stamp Program benefits are directly involved while AFDC, Medicaid, and SSI program benefits are indirectly affected.

2. **WELFARE REFORM PROJECTS** Alabama - Avenues to Self-Sufficiency through Employment and Training: This project represents a major restructuring of welfare that consolidates AFDC, food stamps, and energy assistance into a single, standardized benefit, cash assistance program. To a great extent, eligibility criteria for AFDC and food stamps have been consolidated. The project, through a case management model, provides food stamp benefits in cash, simplifies eligiblity determination, standardizes benefits, intensifies employment and training activities, enhances child support enforcement activity, and extends Medicaid eligibility.

   Washington - Family Independence Program: This Congressionally authorized demonstration replaces the AFDC and Food Stamp Programs for families with children. All benefits are provided in the form of cash. Increased work incentives are reflected in benefit levels which rise with attachment to the work force. Extensive employment and training activities are available to enrollees, as well as a variety of other services such as child care and transitional benefits. Participation is voluntary.

   Minnesota Family Investment Plan (MFIP) (Under Development): Under Congressional authorization, MFIP will fundamentally change existing programs to make them more responsive to the needs of families. AFDC, General Assistance for families and food stamps will be consolidated to form a single, unified program with one set of rules and with benefits issued in the form of one cash grant to families. This goal-oriented program is designed to encourage, support, and reward families engaged in activities leading to self-support. This project is scheduled for implementation in January 1993.

Charlotte (North Carolina) Public Housing Transition Project: This cooperative effort with the Department of Housing and Urban Development is designed to assist public assistance recipients in the transition from public housing to private housing by intensifying employment and training activities, and disregarding any resultant increases in earned income in the eligibility and benefit calculation processes for applicable assistance programs.

3. Electronic Benefit Transfer Projects
   FNS has approved use of Electronic Benefit Transfer (EBT) systems for multiple benefits programs in a number of States. Under these multiple benefit EBT systems, households receive one benefit card which can be used to access their range of benefits at the food retailer check-out lane or, for cash benefits, at automated teller machines. Multi-benefit systems in New Mexico and Maryland are currently operational, with others approved and under development in Iowa, Minnesota, and New Jersey. EBT proposals have also been submitted by several additional jurisdictions.

The Farm Bill included several provisions that will enhance program coordination.

1. Employment and Training/JOBS Conformance Projects
   Authorized the Secretary to conduct up to 60 demonstration projects to test improved consistency or coordination between the food stamp Employment and Training (E & T) program and the Job Opportunities and Basic Skills program by waiving E & T requirements.

2. Operational EBT
   Requires FNS to publish regulations by April 1992 to permit States to implement EBT as an operational alternative to current issuance systems. As with the demonstration projects, the expectation is that States will implement systems for multiple benefit programs.

3. Welfare Simplification and Coordination Advisory Committee
   Established a Welfare Simplification and Coordination Advisory Committee that will identify policies in the Food Stamp Program, cash and medical programs under the Social Security Act, and housing programs that differ and, thus, make it difficult to administer such programs or to apply for and receive benefits from more than one of the programs. The Committee will recommend common policies and report to Congress and the Secretaries of USDA, HHS, and HUD by July 1, 1993.

CONGRESSIONAL OVERSIGHT OF SELECTED FEDERAL PROGRAMS FOR THE ECONOMICALLY DISADVANTAGED

PROGRAM	SENATE COMMITTEE	HOUSE COMMITTEE
Medicaid	Finance	Energy and Commerce Ways and Means
AFDC	Finance	Ways and Means
SSI	Finance	Ways and Means
Earned Income Tax Credit	Finance	Ways and Means
AFDC Work Incentive Program	Finance	Ways and Means
Food Stamps	Agriculture, Nutrition, and Forestry	Agriculture
School Breakfast and Lunch Programs	Agriculture, Nutrition, and Forestry	Education and Labor
WIC	Agriculture, Nutrition, and Forestry	Education and Labor
Housing Assistance Payments (Section 8)	Banking, Housing, and Urban Affairs	Banking, Finance, and Urban Affairs
Head Start	Labor and Human Resources	Education and Labor
JTPA Programs	Labor and Human Resources	Education and Labor
Social Services Block Grant	Finance	Ways and Means

EXECUTIVE BRANCH MANAGEMENT OF SELECTED FEDERAL PROGRAMS FOR THE ECONOMICALLY DISADVANTAGED

DEPARTMENT	AGENCY	PROGRAM
Agriculture	Food and Nutrition Service	Food Stamps
		School Breakfast and School Lunch Programs
		WIC
Health and Human Services	Family Support Administration	Aid to Families with Dependent Children (JOBS)
	Health Care Financing Administration	Medicaid
	Office of Human Development Services	Head Start
		Social Services Block Grant
	Social Security Administration	Supplemental Security Income
Housing and Urban Development	Office of Public and Indian Housing	Housing Assistance Payments-Section 8
Labor	Employment and Training Administration	JTPA Programs
Treasury	Internal Revenue Service	Earned Income Tax Credit

* Reprinted from the "Seminar On Improving Coordination In Government-Sponsored Public Assistance Programs". Sponsored by the National Commission for Employment Policy, March 27, 1991.

Questions and Answers for the Record

House Select Committee on Hunger

April 23, 1991

Question: You mentioned in your testimony that the department is providing Federal matching funds for States to enhance their existing statewide automated AFDC and JOBS systems. To what extent are existing automation efforts affecting the coordination and integration of public assistance programs and what are your expectations for the future regarding the impact of enhanced automation initiatives in the States?

Answer: With the exception of a few States which developed their systems in the early 1980's, all the States' Family Assistance Management Information Systems are integrated among AFDC, Medicaid and Food Stamps. In addition, there are a number of required program interfaces, including Child Support Enforcement and JOBS. Additional required exchanges are with the Social Security Administration, the Internal Revenue Service, the Income Eligibility Verification Systems, and with State files such as motor vehicles and wage files. These interfaces help determine eligibility for other program benefits and services, and verify reported client circumstances. In the future, we expect the integration of automated systems to continue and increase in many programs such as child care.

Question: It has been stated many times that it would be more cost effective for Federal and State governments to integrate the Food Stamps, AFDC and Medicaid Programs. Do you have any projected cost estimates on exactly how cost effective this would be for the Federal government?

Answer: The operational integration of AFDC, Food Stamps and Medicaid through the development of integrated automated systems with a common application is becoming widespread as States press ahead with automation. Although we do not have rigorous cost-effectiveness studies of these efforts, we believe that these activities are cost beneficial.

On the other hand, available evidence strongly suggests that integration of AFDC, Food Stamps, and Medicaid through adoption of common rules would not achieve substantial administrative savings. As a result, common definitions would either increase program costs, or restrict eligibility or benefit levels for some currently eligible individuals.

In the early 1980's under AFDC and Food Stamps waiver authority, the State of Vermont undertook a demonstration which conformed many program requirements related to the earnings disregards, income, resources, students, and verification requirements. A very careful evaluation of the project found that conforming these rules produced a two and-one-half percent increase in productivity. Furthermore, most of the savings came from standardizing (not conforming) the AFDC earnings disregard, because individual work expenses did not need to be verified. (The AFDC earnings disregard was later standardized in the law.) Since eligibility worker time represents about 80 percent of administrative costs, and AFDC administrative costs are only about 13 percent of AFDC benefit costs, it follows that the savings realized from integration of program rules could at best offset an increase in benefit costs of about one-quarter of one percent. Thus, in achieving conformity of rules, either total program costs would increase, or eligibility for benefits would have to be narrowed.

The Assets demonstration currently being conducted in Alabama tests an even more thorough ongoing integration of AFDC and Food Stamps, and should provide more definitive information on the cost effectiveness of integration.

Question: The Electronic Benefit Transfer (EBT) System has proven to be quite successful. You stated in your testimony that some states have proposed to place restrictions on the access of AFDC recipients or to charge recipients a fee for withdrawal of their benefits. What suggestions do you have which might disperse the costs involved to other sources, as opposed to those fees being absorbed by the recipients?

Answer: Since most of the EBT pilot projects have started very recently, we have very little actual data from evaluations to determine the specific factors which influence system costs. Previous evaluations conducted by the Food and Nutrition Service, USDA, indicated that EBT system costs might be reduced substantially by two major strategies: developing "multi-benefit" systems which serve many individual programs, and "piggy-backing" on existing commercial infrastructures.

The demonstration of these two concepts has been the primary purpose of recent pilot projects - to determine whether EBT systems can be more cost-effective when multiple program benefits are available through a single card, with the maximum use of already available commercial equipment, systems, networks, etc. The State EBT projects currently underway combine the delivery of a variety of benefits and services to recipients in a single system, and we are continuing to explore additional projects to test the delivery of other combinations of both State and Federal benefits through one system.

To the extent that we are able to use commercial infrastructures, such as existing Automated Teller Machines and shared point-of sale terminals that food retailers can use for other purposes (such as credit/debit card purchases, check verification, etc.), we believe that all system participants may realize both tangible and intangible benefits. Our evaluations of current and future EBT projects are intended to determine how costs shift among State and Federal agencies, benefit recipients, food retailers and financial institutions when programs move from a paper environment to an EBT system, and the extent to which each participant group can be expected to share in system cost.

Question: What factors mitigate against the cost-effectiveness of the EBT program as it relates to AFDC?

Answer: Since we have very little data from recently-initiated EBT pilots, it is not possible to quantify all of the variables which may contribute to system cost and potential savings. Individual States currently incur significantly different costs to issue AFDC benefits in the paper check system, depending upon such factors as caseload, level of automation, etc. Similarly, the costs for EBT systems may be expected to vary in different locations, and under different system configurations (e.g., with different combinations of programs, etc.).

However, in reviewing various EBT projects, two factors consistently appear to influence the potential for achieving cost-effectiveness in the AFDC program. The first is that, in general, the cost to issue paper checks is significantly lower in most States than comparable costs for the issuance of paper food stamp coupons. Therefore, the potential to reduce costs in the Food Stamp Program may be greater than for the AFDC Program.

The second factor is that, under an EBT system, cash benefits are delivered primarily through Automated Teller Machines (ATM's), while food stamp benefits are transacted at point-of-sale (POS) terminals at authorized food retailers. While costs and fees for these services appear to vary widely in different parts of the country, in general it appears that ATM transactions are significantly more expensive than POS transactions. Therefore, potential costs under an EBT system may be higher for the AFDC Program, incurring primarily the more expensive ATM fees, than for the Food Stamp Program in which transactions are restricted to the less costly POS terminals.

While these are only two of the factors that contribute to the potential cost-effectiveness of EBT systems, our evaluations will examine all elements of both costs and savings in order to determine which combination of features in EBT systems offer the best opportunity for successful, cost-effective implementation and operation on a larger scale.

Question: In your testimony, you stated that the Department has created a new agency--the Administration for Children and Families. Could you please explain the functions of this new agency and how the department expects it to heighten the efforts on the state and national level in assisting children and families with the delivery of coordinated and integrated services?

Answer: Secretary Sullivan and I believe the creation of the Administration for Children and Families (ACF) will accomplish the following goals:

- promote collaboration and eliminate programmatic isolation;
- facilitate communication and joint administration with the States;
- invigorate our environment by spurring new ideas and insights in long-standing programs; and provide an established base for us to build upon and expand efforts already begun to enhance coordination of services.

The ACF consolidates for the first time in a single agency many child and family programs. The organization will enhance the Department's ability to serve children and families by better targeting and coordinating services. It will provide a strong base for new initiatives as well. This consolidation of programs will produce long term benefits for children, youth and families by allowing us to solidify linkages between programs and thereby provide coordinated services.

ACF will provide States, communities, and the Congress a single agency concerning children's program and policies. This will facilitate integration of services for children and their families by States and communities. ACF will play an important role with States and communities to help reduce the barriers that many families now experience when trying to access the range of services they need to progress toward self-sufficiency.

STATEMENT OF

RICHARD W. JACOBSEN, JR., DIRECTOR
DEPARTMENT OF SOCIAL SERVICES
COUNTY OF SAN DIEGO
SAN DIEGO, CALIFORNIA

ON BEHALF OF

THE COUNTY OF SAN DIEGO

SUBMITTED BEFORE THE

HOUSE SELECT COMMITTEE ON HUNGER

APRIL 17, 1991

Mr. Chairman, Members of the Committee, the County of San Diego appreciates this opportunity to provide written testimony on behalf of the County and the Department of Social Services.

San Diego is the fourth largest county and the sixth largest city in the nation. The County of San Diego, under the direction of its Board of Supervisors, has enjoyed a proud history of leadership in the area of welfare reform over the past decade. Some of the unique programs that San Diego County has implemented include:

EMPLOYMENT PROGRAMS FOR PUBLIC ASSISTANCE RECIPIENTS

- **1979 Food Stamp Workfare** which required able-bodied Food Stamp recipients to work in exchange for benefits. This program also provided Job Club workshops and work experience. $ 2.42 in benefits to society was generated for every $ 1.00 spent on the program.

- **1982 Employment Preparation Program (EPP)**, a collaborative program effort between the California State Employment Development Department and the County Department of Social Services. This program provided sequential employment activities including job Search Workshop (3 weeks), Work Experience (13 weeks), and supportive services for Aid to Families with Dependent Children (AFDC) applicants and recipients. This program generated $ 73.6

million in AFDC grant savings. $ 2.47 in benefits accrued to taxpayers for every $ 1.00 spent to operate the program.

- **1985 Saturated Work Incentive Model (SWIM)** which was designed to test the feasibility of a "saturation" employment program mandating continuous program participation for all eligible AFDC recipients. This program resulted in significant employment gains as well as reductions in welfare payments. This program generated $3.00 in savings to government for every $ 1.00 spent to operate the program.

- **1987 Greater Avenues for Independence (GAIN)** which provides a comprehensive array of services including remedial education, job club and supervised job search, assessment, vocational training, and supportive services. This program has produced 92.8 million in grant savings.

- **1989 Job Opportunities and Basic Skills (JOBS)**, was implemented statewide in July, and designated target groups to receive priority for employment related services.
- **TEEN PARENT PROJECT** has taken on the challenge of providing effective early interventions among pregnant and parenting teen recipients. The Teen Parent Project intervenes by networking with school districts to arrange curricula that will allow teens to return and complete high school. GAIN Teen Specialists conduct outreach activities and orientations, develop child care plans, provide for transportation and ancillary needs, and conduct peer support groups to help teens acquire life skills and consumer education.

AUTOMATED INTAKE SYSTEMS

These systems help eligibility workers efficiently complete the eligibility application process, starting with a preliminary determination evaluation, computer entry for actual intakes, and eligibility worker computer entries for ongoing eligibility cases.

- The County of San Diego has established a three phase plan; the Automated Income Maintenance System (AIMS), the Automated Intake System (AIS), and Automated Eligibility System (AES).

AIMS supplied the district offices with the ability to do data entry and provided on site printing of computer documents.

AIS enables eligibility workers to conduct pre-application, application, and continuing interviews using terminals that have been programmed to determine eligibility and benefit level for Food Stamps, Medicaid (known as Medi-Cal in California) and AFDC.

AES has given the ability to eligibility workers to directly enter updates for all case information, including budget items for continuing benefit payments.

Automation has increased worker productivity by automating labor intensive tasks, has shown a reduction of duplicate collections, copying and storage of data, and is allowing San Diego County to provide improved client service and information to the public. The County of San Diego derives a hard 5 to 1 on their automation investiment.

FRAUD PREVENTION PROGRAM

This program was established to heighten public awareness of fraud prosecutions and discourage acts of fraud in public assistance programs. With ever increasing caseloads and limited resources, it became necessary to reevaluate the focus of our Fraud Investigation program. This innovative system involves:

- Outstationing fraud investigators in the District Offices to help the eligibility workers identify potential fraud at the point of application, before aid is granted, and to train eligibility workers to gather supplemental information for eligibility determination.

- This Fraud Prevention program triggers a denial of 200 applications per month that would otherwise have been granted benefits in the AFDC program.

- Savings exceed $ 110,000 monthly in AFDC grant savings plus an average of $ 17,000 in associated Food Stamps savings. In addition, we realize indirect savings in avoided prosecution and investigation costs.

SINGLE MONTHLY WARRANT ISSUANCE

In 1989, the County of San Diego began issuance of AFDC in a single monthly check, rather than disbursing AFDC benefits through two checks a month. During the first year of operation, San Diego County avoided processing and mailing 520,188 mid-month warrants, with a cost avoidance of $ 361,000[1] ($ 90,250 state share, $ 90,250 county share and $ 180,500 federal share). With the new postal rates, the anticipated cost-avoidance for the second year is anticipated to be $ 416,150.40.

Not only has the County of San Diego responded to the continuing needs of service to our clients, we have also developed 70 alternate work schedules to meet the needs of our employees.

The County of San Diego has experienced caseload increases in all public assistance programs. Attached is a chart that compares the County of San Diego's caseload, salary and budget growth from 1982 to 1991. The County of San Diego has experienced a population increase of 34.2% for the region, compared to the nation's population growth of 10.2%. Because of the increased public assistance caseloads, and the concomitant cost increase for the taxpayers, it is essential for local government administrators to evaluate alternate more efficient service delivery systems.

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[1] This figure was based on actual warrant cost of $ .68 for 10 months, and $ .76 for two months. Effective with new postage rates, the cost of a warrant is now $.80.

evaluate alternate more efficient service delivery systems.

Experience acquired in the administration of numerous federally and locally funded public assistance programs led us to re-evaluate the entire welfare benefit delivery system with the intent of reducing administrative costs and enhancing the delivery of service to recipients. One program ripe for reform was Food Stamps. With the implementation of the Food Stamp Cash-Out Demonstration Project, the County of San Diego is aggressively pursuing an innovative strategy to achieve both of these goals.

The San Diego Food Stamp Cash-Out Demonstration Project is a joint effort of the U.S. Department of Agriculture (USDA) Food and Nutrition Service (FNS), the California State Department of Social Services (SDSS), and the County of San Diego. The impetus for the project developed from concerns regarding the management and delivery of the Food Stamp Program benefits, including:

- The **high administrative costs** associated with the distribution of food stamps;
- The **susceptibility of food stamp coupons to theft, mismanagement, and fraud**; and
- The **negative impact** of coupon use on **recipients' self esteem and welfare dependence**.

The explicit goals of San Diego County's Cash-Out Project are to:

- **Restore self-esteem** and **responsibility** to recipients;
- **Eliminate theft**, vendor **mismanagement**, and **fraud**;
- Reduce administrative **costs**; and
- **Provide a model** for national **welfare reform**.

Under the Project, which began Phase I in July 1989, Food Stamp benefits are issued using a **monthly warrant (check)**, rather than coupons. For those households receiving other cash assistance (e.g., Aid to Families with Dependent Children), the value of the Food Stamp benefits is added to the cash assistance warrant. Although part of a multi-state demonstration project, the San Diego Project is, **by far**, the **largest Cash-Out site** in the nation. Currently more than 52,000 households participate each month. Households experience no change in the benefit level of their food stamp benefits due to this project.

It has always been the responsibility of government agencies to efficiently manage social programs. The existing economic crisis in the State of California and at the County level challenges all managers to find more efficient and effective service delivery strategies. The elimination of Food Stamp coupons:

- **Streamlines administrative processing:**
- **Decreases costs; and,**
- **Reduces fraud**

Prior to Cash-Out, the County of San Diego mailed Food Stamp coupons. This required a twelve person issuance center dedicated solely to issuing, mailing and accounting for Food Stamp coupons. Since coupon packets are easily identifiable and readily negotiable, approximately two-thirds of the coupons had to be sent by costly certified mail to avoid loss due to theft. Converting to a warrant based system has reduced mail theft, and has aided in successful fraud prevention.

During the first year of the Project, only a portion of the cases were converted to Cash-Out. The estimated savings from the partial Cash-Out Project to all levels of government totalled $132,518 from July 1989 through June 1990.

This estimate is based on the per issuance handling, processing, and mailing costs of:

- $1.73 for a coupon packet[2]; and,
- $0.69[3] for a warrant

The first year of full cash-out began in September 1990. Savings are expected to be much greater. Our early estimate is one million per year.[4]

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[2] This figure is an average of certified and non certified mailing costs and handling costs.

[3] Please refer to footnote # 1.

[4] This includes administrative costs at all levels of government.

In addition to administrative savings, providing Food Stamp benefits as a warrant rather than coupons has significant positive benefits for recipients. For example, cash instead of stamps:

- **Supports self-sufficient decision making**, a major part of **learning to function independent of public assistance.**

- **Reinforces** the message fostered by San Diego County's various **work programs** that the person is a **capable, trustworthy individual**, with no need to be told how to spend his/her money, nor to be dependent on direction and support from a government bureaucracy.

- **Reduces** the stigma of being poor. Individuals who use food stamps are publicly identified as welfare recipients, and are scrutinized and intimidated by other shoppers as they make their purchases. This assault on self esteem does little to promote independence and self sufficiency.

There have been concerns voiced by local community based organizations regarding the ability of recipients to manage cash versus coupons. Some of our more dysfunctional AFDC families continue to need assistance from community based organizations for counseling and food. The County of San Diego recognizes that some people living on very limited income need more assistance with budgeting. At the present time, the County is offering budgeting and banking classes through the AFDC Greater Avenues to Independence program (JOBS), as well as a home study course on nutrition and better food buys through the University of California's Expanded Food & Nutrition Education Program.

The San Diego County Food Stamp Cash-Out Demonstration Project is a preliminary step toward the final goal of **Electronic Fund Transfer** (EFT). EFT will provide a means to strengthen money management for clients, as well as allowing clients to participate in the mainstream economy.

By contracting with local banks to provide a checking account, an initial supply of checks, and an ATM card to clients, all at no charge, the County will be able to electronically transfer benefit payments each month to individual accounts. Potential benefits to both recipients and program administration are numerous, and include:

- **Reduction in the incidence of loss or theft of warrants, and the resulting delay involved in replacing those benefits;**
- **Reduction in the incidence of losses due to forged warrants;**

- **Reduction of administrative costs for printing, mailing, processing, and reconciling paper warrants;**
- **An increase in the awareness and use of banking services by public assistance recipients.**

In summary, we are firmly convinced that continuing Food Stamp Cash-Out with Electronic Funds Transfer would be beneficial to recipients, and would also increase efficiency in administration of the program. With caseloads steadily increasing nationwide, a simple and more efficient benefit delivery is essential.

The County of San Diego appreciates the opportunity to provide this Committee with San Diego's County perspective.

CASELOAD GROWTH IN THE COUNTY OF SAN DIEGO

	1982	1991	% INCREASE
AFDC			
*PROGRAM COSTS	$135,386,722	$362,966,173	168.1%
*STAFF ASSIGNED	596	709	19.0%
*MONTHLY CASELOADS	32,300	48,225	49.3%
FOOD STAMPS–NON ASSISTANCE			
*PROGRAM COSTS	$2,891,750	$4,781,659	65.4%
*STAFF ASSIGNED	134	149	11.2%
*MONTHLY CASELOADS	5,723	7,350	28.4%
MEDICAL			
*PROGRAM COSTS	$7,013,174	$16,176,969	130.7%
*STAFF ASSIGNED	347	495	42.7%
*MONTHLY CASELOADS	28,000	35,000	25.0%

STATEMENT OF ANNA KONDRATAS
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
BEFORE THE
SELECT COMMITTEE ON HUNGER
HOUSE OF REPRESENTATIVES
APRIL 23, 1991

It is a pleasure to have the opportunity to speak on behalf of Secretary Jack Kemp to offer testimony on service integration and simplification of public assistance programs designed for the poor. On August 16, 1990 the President approved a Domestic Policy Council decision memorandum creating the Economic Empowerment Task Force, of which Secretary Kemp is the chairman. In the Secretary's absence, I represent him on that task force and I coordinate the efforts of the Department of Housing and Urban Development in this area. One of the many topics under consideration by that Task Force is service integration.

Today, I will describe briefly the concept of integrated services, the problems this approach is designed to solve, and the benefits of integrated services. I will also cover the actions undertaken at HUD and other Federal agencies. Finally, I will summarize obstacles to integrated services and recommended approaches to overcome these obstacles.

What are integrated services?

At a minimum, integrated services are improved coordination of services at the local level. This may include providing improved information to clients about the kinds of services that they may need and the requirements for receiving these services.

Integrated services could involve simplification and reconciliation of diverse procedures and eligibility requirements of several programs. This may occur at any level of government. Such simplification and reconciliation could involve changes in regulations or in the law.

At best, integrated services represent a holistic approach to client needs where an integrated array of services are delivered at common locations in an integrated fashion. Integrated services may also involve the addition of a fuller range of services within, or easily accessible to, facilities which have traditionally had a rather narrow set of purposes. An example would be inclusion of a wide range of social services at public schools and public housing facilities.

It may involve mechanisms, such as vouchers, which give the poor greater personal choice in the services they utilize. This will move more power into the hands of the poor from service providers.

What problems are integrated services designed to solve?

For a variety of reasons, there is a mismatch between the needs of the poor and the capacity of a fragmented and poorly coordinated social service system. Service integration is one attempt to address these problems.

There are many federal, state, local and private programs to serve the poor in a given community, each of which has its own eligibility requirements, funding mechanisms, regulations and informal organization operating style. The poor are confused with complex and diverse requirements of these programs. Overly rigid program structures get in the way of providing effective local services to meet the diverse needs of the poor. These services are offered at widely varying locations and are often inaccessible to the poor who have less mobility.

Many of these separate programs develop their own professional training, codes of ethics, certification requirements, and other approaches which makes cooperative and cross-program integration difficult in dealing with the problems of single-family or individual needs. Often these diverse programs develop their own constituency and are competitive with one another for funds and manpower. They are often resistant to change.

These services are frequently either partially overlapping or there are gaps in services that no one is providing. Each program may conduct a separate eligibility investigation of a single client or family. This leads to a waste of staff time.

Many federally supported facilities, such as housing for the poor, historically have had little or no services to deal with multi-faceted problems of residents. They offer little opportunity to remove the poor from the condition of poverty.

Housing alone is not enough to deal with problems of the poor.

Often these programs are poorly meshed. One program might be ineffective because it depends on another one which has failed or is poorly coordinated. Typically, the services are narrow and fragmented. However, the problems of the individuals and families living in neighborhoods and housing projects are multifaceted. They cannot be solved by single-purpose and short-term interventions.

Benefits of Integrated Services

Experience over a period of 20 years shows us that there are a number of solid benefits to simplifying programs and providing integrated services. There are also a number of potential benefits which may not yet have been fully realized. Among these benefits are increasing access of the poor to benefits to which they are entitled, a reduction in welfare dependency through holistic self-sufficiency efforts, expanded flexibility for States and localities, empowerment of the poor to the extent they are provided choice among services and providers, and reduction in duplication of efforts of providers.

Improved and integrated services increase access to, and utilization of, a full range of services and potentially improve outcomes for the poor. The integrated approach treats their problems holistically. In the long run, integrated services could have an effect on reducing the dependency of the poor on the welfare system. They may make it easier to accomplish the self-sufficiency goals of the Family Support Act and other welfare reforms.

Simplifying program requirements and providing service integration would give the States and localities more flexibility in addressing local needs. By making requirements more consistent and simpler, the poor would be able to access the services they need in less time and with less duplication of effort.

Also, service integration could empower the poor by making access to services easier. This would also improve the delivery of services because of increased market-like pressure on service providers. This is the theory behind vouchers.

Finally, by bringing together various services, professionals may improve their understanding of the clients they serve by working together and exchanging information on cases.

What has been done by the Administration?

HUD and other Federal agencies have already taken steps to improve service integration.

At HUD, the resident initiatives program in public housing and the HOPE programs are efforts to bring a wider range of services to empower the poor in public and assisted housing. This is a form of integrated services in one location.

The Family Self-Sufficiency program of the National Affordable Housing Act (section 554) requires that, by 1993, all public housing authorities have a program to provide comprehensive support services for families electing to participate in the program. This will include public housing residents and new Section 8 voucher holders. The implementation of the programs locally are subject to funding availability and local feasibility. No separate funding is provided for the services, except to pay for a service coordinator. The Act requires HUD to consult with heads of other agencies and provide for cooperation and funding agreements.

Also, a competition is being held among public housing authorities to receive 12,000 additional housing vouchers on the condition that comprehensive supportive services be made available. Ten percent of budget authority for incremental Section 8 certificates and vouchers must be set aside for this purpose in 1991 and 1992.

There are a number of homeless initiatives already undertaken which involve integration of services. The Shelter Plus Care program created by the National Affordable Housing Act integrates a number of social services with shelter for homeless persons with disabilities. HUD and the National Institute of Mental Health are undertaking a series of demonstration projects in six cities to supply housing assistance and supportive services for the chronically mentally ill homeless. Similarly, HUD and the Department of Labor are sponsoring demonstration projects in 20 cities to increase employment and obtain housing for homeless persons. Also, the Robert Wood Johnson Foundation and HUD are collaborating on demonstrations to combine housing and supporting services for the chronically mentally ill homeless and for homeless families. These demonstrations are geared to evaluating service delivery to the homeless.

Obstacles to Service Integration

If service integration can be so beneficial in delivering improved services to clients, why has it failed to have any substantial impact on institutional reform? There are a number of obstacles to service integration which must be overcome.

According to a report by the HHS Inspector General, there has been no strong support for service integration among elected officials, service providers, or clients. Some service providers fear loss of control over their programs and have been reluctant to support the concept. Clients lack experience with integrated services and may not be aware of the potential they offer.

Another problem is that investment in integrated services initially may require additional funds because of increased access to these services by the poor.

Also, there has been insufficient data gathering and synthesis of the experience with service integration to determine whether certain types of linkages are more effective than others under different circumstances.

Recommended Approaches.

The Office of Inspector General at the Department of Health and Human Services recommends certain approaches to improve effectiveness of service integration. These recommendations were contained in several reports on the subject.

First, service integration should be focused on well-defined target groups and reform should be pursued within categorical program areas. Overly ambitious efforts at service integration may be difficult at this time.

Second, we should increase flexibility of funding and program requirements at the national level to facilitate service integration at the local level.

Third, we should carefully assess the effectiveness of service integration projects to learn from both successes and failures.

My hope is that properly crafted service integration and program simplification can improve our effectiveness in dealing with poverty.

TESTIMONY OF CATHERINE A. BERTINI

ASSISTANT SECRETARY FOR FOOD AND CONSUMER SERVICES
U.S. DEPARTMENT OF AGRICULTURE
BEFORE THE
SELECT COMMITTEE ON HUNGER
U.S. HOUSE OF REPRESENTATIVES
APRIL 23, 1991

Good morning, Mr. Chairman, Mr. Emerson and Members of the Committee. It is a pleasure to be representing Secretary Madigan here today as part of the Bush Administration team, along with Assistant Secretary Anna Kondratas and Associate Administrator Howard Rolston, and have the opportunity to tell you about our efforts to integrate and simplify the Federal nutrition and public assistance programs serving low-income Americans.

Mr. Chairman, my colleagues and I appreciate your designating a special hearing devoted to one-stop shopping and highlighting its importance. The Committee's commitment to this issue will contribute toward joint efforts to explore new alternatives and further our common goals.

President Bush has directed his appointees "to reorient government to better serve the needs of individuals." Our efforts toward coordination of services are designed to do just that; further, the concept of one-stop shopping delivers upon this promise to help government serve the individual.

When President Bush nominated me for this position nineteen months ago, I was encouraged to put my expertise from the Family Support Administration to work and collaborate with my colleagues at the U.S. Department of Health and Human Services (DHHS) to make real strides in the area of program conformity and coordination. I know that my colleagues in the Administration for Children and Families agree that, whether in the boardroom or on the ball field, our staffs have a sense of renewed commitment and teamwork that is resulting in real progress--progress toward making our programs easier to administer by States and more easily accessible to our clients.

We have also had the opportunity to work with our colleagues from the U.S. Department of Housing and Urban Development (HUD), through the Economic Empowerment Task Force and the Interagency Council on the Homeless.

USDA's collaboration with HUD through the Interagency Council has also led us to design an outreach project of our own, which will provide start-up funds for innovative projects to help the homeless access food assistance programs.

Besides working with other Federal agencies, USDA also strives to work with groups like the American Public Welfare Association, the National Association of WIC Directors, advocate groups and others. We welcome and encourage cooperative ventures with experts, and I believe we are seeing definite, worthwhile dividends.

ELECTRONIC BENEFIT TRANSFER

The Farm Bill's provisions related to electronic benefit transfer (EBT) hold real promise for making one aspect of one-stop shopping a reality.

One of our priorities at the U.S. Department of Agriculture (USDA) is to proceed aggressively in implementing the Farm Bill authorization of EBT as an operational alternative for States by April, 1992. The Food and Nutrition Service (FNS) has an agency task force in place that is charged with facilitating this important initiative.

Electronic benefit transfer technology may well be the key to achieving real "one stop shopping" in future years. For some States, the future is now. We have worked along with HHS and OMB, with Baltimore, Maryland, to combine the delivery of food stamp, AFDC, child support and general assistance benefits all on a single "Project Independence" card. In Albuquerque, New Mexico, it is food stamps and AFDC. In these states, household benefit information is stored on a central computer file enabling recipients to access benefits with a single magnetic stripe card at ATMs or food retailer point-of-sale terminals.

I have brought with me today the latest issue of USDA's Food and Nutrition Magazine to share with you. It features electronic benefit transfer innovations from all across the United States, and I am very encouraged by States' enthusiasm for this promising technology.

Next year will be a very busy one for USDA, as we prepare the rulemaking allowing States to pursue EBT as an operational alternative next spring and review new State proposals.

OTHER FOOD STAMP INITIATIVES

In addition to EBT, both the Food and Nutrition Service (FNS) and the Administration for Children and Families have been helping States plan and develop Statewide integrated computer systems for the administration of food stamps and AFDC. Many States are also including Medicaid, child support, refugee assistance and general assistance in these systems. This means that State workers are rapidly evolving from single program case workers to generic social workers, capable of providing clients with eligibility determinations to ongoing case management for multiple programs.

USDA is working toward implementation of a number of individual Farm Bill provisions that will improve coordination of services.

These include:

- Demonstration projects to test improved consistency and coordination between the food stamp employment and training (E&T) program and JOBS by waiving E&T requirements;

- Expanded categorical eligibility to recipients of certain State and local general assistance (GA) payments;

- Simplified resource and eligibility determinations for AFDC/SSI recipients by excluding the same resources for food stamp purposes that are excluded by AFDC or SSI;

- A requirement that FSP applications and information be provided to applicants for local GA programs that are administered by the same agency that administers the Food Stamp Program.

As part of our commitment to improved coordination, FNS hired a full-time employee to work with HHS on an AFDC/food stamp conformity project. One part of that effort is the development of fact sheets describing 54 areas of difference between the AFDC and food stamp eligibility and benefit determination requirements.

We are also working on establishment of a Welfare Simplification and Coordination Advisory Committee, mandated by the Farm Bill. Its purpose is to identify policies in the Food Stamp Program, cash and medical assistance programs under the Social Security Administration, and housing programs that differ and, thus, make it difficult to administer such programs or to apply for and receive benefits from more than one of these programs.

CHILD NUTRITION PROGRAMS

At USDA, our child nutrition programs are also an area where we are working on conformity.

The Special Supplemental Food Program for Women, Infants and Children (WIC) often serves as a gateway for low-income clients into a number of health and assistance programs.

USDA has actively participated in a work group chaired by the Department of Health and Human Services that is working on the development of a **Model Application Form.** This form will be used by pregnant women or children under age 6 to simultaneously apply for benefits available through the following programs: Maternal and Child Health Block Grants, Medicaid, Migrant and Community Health Centers Program, Grants for the Homeless, WIC and Head Start.

We are working with the Surgeon General, Antonio Novello, on a number of health care issues, particularly those geared to young children.

The Surgeon General and I will be working together to encourage increased coordination at the State level when we co-chair an upcoming meeting sponsored by USDA's Food and Nutrition Service Mid-Atlantic Regional Office called **Partnerships in Health.** This meeting will focus on coordination efforts and will include State representatives for the WIC, Maternal and Child Health, and Medicaid Programs.

Last June, Dr. James O. Mason, Assistant Secretary for Health with the U.S. Public Health Service, and I sent a joint letter to all State Health Commissioners encouraging increased cooperation in the area of improving the rates of immunizations among WIC participants. USDA followed up with a letter to all FNS Regional Administrators, updating them on immunization coordination efforts at the national level and urging them to pursue regional initiatives.

Another important coordination effort with the Surgeon General is USDA's participation in a **Healthy Children, Ready to Learn** Task Force with representatives from the Departments of Education and Health and Human Services to identify strategies to address the health component of the first of President Bush's six national education goals: "By the year 2000, all children in America will start school ready to learn."

Direct certification in the National School Lunch Program is available to all States and school food authorities. Under this option, any school food authority may certify a child for free meals by obtaining information on the food stamp or AFDC participation by the child's household directly from the food stamp or welfare office.

The Department issued regulations shortly after enactment of Public Law 101-147, allowing automatic WIC income eligibility for recipients of food stamps, AFDC, and Medicaid.

State Initiatives

There are many good things going on out in the States. There are two states here today, Delaware and Alabama, that are leaders in the nation for their achievements in the area of program conformity, and I would like to compliment Governor Castle and Governor Hunt for their fine work. I am pleased that Gary Stangler is here testifying today on behalf of the American Public Welfare Association, and I welcome working with Governor Ashcroft, the incoming head of the National Governors' Association.

We are delighted to bring with us today a compilation of the many State "one-stop shopping" initiatives. As you can see, States are devoting a considerable amount of energy developing standardized applications, training eligibility workers in the "case management" approach, co-locating services for health, welfare, job training and nutrition assistance programs. As Secretary Eichler and Commissioner Hornsby can attest because of the excellent projects in their States, the State and local administrators are the true facilitators of "one-stop shopping."

CONGRESS

We in the executive branch can work together on various initiatives to further program coordination. However, real progress will only occur with the partnership of Congress. Basic program policy parameters are set by the authorizing legislation. Various Congressional committees establish often quite different versions of operating procedures and eligibility factors. Therefore, major strides in this area must come in the form of legislative change. The House Select Committee on Hunger can play a leadership role in this effort. We applaud your interest.

Much work lies ahead, and we look forward to working closely and cooperatively with you to make one-stop shopping a reality for low-income Americans who are eligible for multiple benefits.

This concludes my testimony. I would be happy to answer any questions that you may have at this time.

TESTIMONY OF THOMAS P. EICHLER
SECRETARY OF HEALTH AND SOCIAL SERVICES
STATE OF DELAWARE

Before the

SELECT COMMITTEE ON HUNGER
U. S. HOUSE OF REPRESENTATIVES
APRIL 23, 1991

INTRODUCTION:

I am Thomas P. Eichler, Secretary of Health and Social Services for the State of Delaware. Thank you for the opportunity to participate in your deliberations concerning Federal and State efforts to integrate and simplify public assistance programs. This is indeed, an important issue of public policy but also of public service to the citizens we serve.

I want to commend the Committee for your attention to this topic. I also want to take this opportunity to thank the Committee for your visit to Delaware on April 19 to allow us to share first hand some of the steps we are attempting in Delaware to provide effective and timely service.

In Delaware, under Governor Castle's leadership, we are deeply committed to the integration and simplification of the assistance we provide to the Department's clients. It is part of our belief that the delivery system itself should not be a barrier to clients receiving the services they need and that we want them to have.

Let me start by providing some brief background about the structure of our delivery system.

BACKGROUND:

Two decades ago the State's executive branch was reorganized from its historic organization of boards and commissions into the present cabinet format of "superagencies", of which our Department of Health and Social Services (DHSS) is one. In our one Department we provide a broad array of programs which might typically be found in three or four cabinet agencies in other states. This provides us the opportunity, should we seize it, to integrate within one department that which is often found in several in other states.

Also, at the same time, another important decision was made concerning the delivery of services in Delaware. It was recognized that Delaware, as a small state, now with a "superagency" format at the State level, could also streamline by essentially eliminating the local government delivery system for the services we provide. So, unlike most states, in Delaware our one Department directly provides public health, welfare, child support, mental health and other social services by State government directly to our citizens. There is no intermediate level of county or municipal government between us and our clients.

In the intervening two decades there has been evolution and some anomalies have crept in, but the basic organizational philosophy of service delivery has held true.

Whether these twin features, broad State level "superagency" and direct provision of services by the State agency, are unique and only feasible in small states is a topic we can discuss. No matter what the conclusion, it does allow those of us with the service delivery responsibility to have an unusually sharp focus on our clients: who they are; what they need; and how we in government can help.

Putting it another way, in our very streamlined organization, the bureaucratic problems of service delivery are often ones we can get our hands on and do something about. This reality has made it worthwhile for us to focus on these issues, and perhaps provide some interesting responses. Ones that we are pleased to share with you.

With this basic format of service delivery in hand, my predecessors have seized on certain opportunities. For example in the 1970's, the Department, as the direct-service provider, pioneered a new concept of providing its services and related services of other agencies in a system of State Service Centers, featuring one-stop at a community-level location.

In the 1980's, a major commitment was made to using automated data management to support client services. This included development of integrated systems supporting the major programs of the Department.

More recently, during my time in the Department we have continued to develop the service center and central data management concepts and have added a third area of focus, the organizational climate and the essential human resource which makes it all go.

HUMAN SERVICE ENVIRONMENT OF THE 1990s:

The human service environment of the 1990s is one of increasing challenge. It presents us with both problems and opportunities.

Some of the problems include:
- -clients with complex problems affecting the entire family;
- -limited budget growth with which to respond;
- -lack of integration of programs.

Some of the opportunities include:

- -expanding employment opportunities for clients;
- -new technologies for greater efficiency and support for case worker decision-making.
- -private and community resources which can still be tapped.

The needs of the clients are growing in complexity, whether we are talking about the working poor, often a single parent family, or the rising numbers of elderly who are living longer but whose traditional family member care givers are increasingly a part of the work force themselves.

The programs, too, have become more complex and often come to us without being integrated at the Federal level. Also, as our professional knowledge of what constitutes appropriate care evolves, we are developing an ever more sophisticated continuum of care. It is no longer a "one size fits all" world as we strive for the "least restrictive environment". All adding new complexity.

The resources, whether technological, financial, or human, have not remained static either, challenging us as managers to provide the best possible combination of services within a limited public pocket book.

It is my belief that the delivery of public assistance programs needs to continue to change if we are to keep up with:

- -changing needs of our clients;
- -changing notions of what constitutes good and effective assistance; and
- -changing technology.

At the Delaware Department of Health and Social Services we have assigned to ourself the challenge of making complex programs simple for the client to use. This challenge is two fold:

- -integrating the programs and their funding sources;
- -while making it simple for clients and families to access an ever more complex continum of care.

One of the major challenges for any public agency attempting to integrate services, even when an unusual number of them are within your agency, is to identify some overriding themes and principles which transcend the organizational boundaries, differing funding streams, and crises of the moment. If they are well chosen, they will help to provide a steady compass in the cross currents of public demands.

GOAL 1:

At Delaware Health and Social Services (DHSS) we have committed ourselves to:

-working with individuals and their families to maximize their independence.

This is a client centered, results oriented commitment. It is quite different than saying "timely eligibility determination". It is quite different than saying "drop your family member off, we will take care of them from this point".

Our commitment to "maximizing independence" is teaching us new lessons on how much our clients can, in fact, achieve- whether welfare recipients, visually impaired, or mentally ill.

This perspective of "working with..." also causes us to be very empathic with our clients and their families. One result is that it helps us to see the barriers or limits which the delivery system itself may be imposing along the way to "maximizing independence". From this perspective, complicated application forms, service hours, staff attitudes, busy phone lines all take on a new significance.

We know that "mastering the system" can also become an alternative to "independence" from the system if we let the system itself become too formidable.

GOAL 2:

These lessons have caused us to develop an internal management commitment within DHSS:

-to be a self-correcting organization.

By this we mean a commitment to constant learning, improvement, willingness to experiment, all as a part of our commitment of "working with..." our clients.

"Self correcting" recognizes that our clients and their circumstances are changing, rapidly. Demographics, the latest Census, our own experience tells us that. If we are to stay relevant to their needs, we must be tuned into those changes. Often this reflects itself in different services that are needed, for example respite and day care are increasingly important to support families. Changing our program mix results from attention to our clients needs.

If we are not committed to keeping pace, we will become less relevant to the client's needs and the system will slide from promoting "independence" to one of maintenance.

Incidently, this commitment of being "self correcting" is also relatively easy to monitor at all levels of the organization. Unlike many other management goals, it does not require elaborate data monitoring systems.

Successes in our commitment are notable when we are able to provide leadership in our program areas. Failures are obvious whenever we are "corrected" by legislative oversight, an adverse court order, or an investigative reporter finding something that we overlooked.

We promote the decentralization of this commitment internally. That is to say, the best "self correction" is one that the direct service staff makes, next best is one made by first line supervision, and so on (worst is one which the Secretary makes).

BUILDING BLOCKS:

With these two commitments in mind, one to being client oriented, the other to system improvement, we have identified three major building blocks of resources to manage and improve on behalf of quality service:

-physical resources;

-information resources; and

-human resources.

PHYSICAL RESOURCES:

The first of these, Physical Resources, is best exemplified by our network of State Service Centers. We have 12 Service Centers, four of which are "major" centers, and the other eight are what we call "satellite" centers. We attempt to make they "one stop" as much a possible. We locate them as close to the community as possible, hence, we have more smaller centers in the rural part of the State.

Even when a particular center does not offer a service on site, staff is available for referral services. Further, we expect our Service Center staff to be personally networked with other non-governmental community services. Last year our Service Centers experienced 530 thousand client visits.

To the extent possible, we house the services of other sister agencies as well. At various locations these include the Departments of Correction, Labor, Public Instruction, and Department of Services to Children, Youth and Their Families. Numerous non-government agencies are also collocated within our Service Centers, including Head Start, Senior Centers and Alcohol and Drug Counseling Programs.

As you can imagine, great care is taken in determining exact location of Service Centers and the menu of services to be offered in each. The quality of the physical facility is important. Considerable investment has been made in upgrading the appearance of older facilities. Clients have more confidence in the quality of the programming inside the building if the building itself is inviting.

We find in many cases that a client comes in the door looking for one service, but their success may be enhanced if we get them connected with some others to which they can be referred within the same Center. For example, a prenatal clinic client may be connected to WIC, Food Stamps, Medicaid, and possibly Child Support Enforcement. An AFDC client may get connected to our First Step employment and training program and patenting education. The possibilities are endless. The single location is key.

INFORMATION RESOURCES:

The second building block, Information Resources, is key to enabling us to manage growing program and client diversity. It is key to our goal of decentralized decision-making. We have a lot of confidence in our direct care givers, whether a social worker, a public health nurse, or a long term care ombudsman to make good decisions on behalf of our clients. But they can only do so if they have appropriate and timely access to information- information both on the client and available programs.

To facilitate this we have made major commitments to utilizing what modern data management can do for us. Our central mainframe data system located at our Biggs Data Center supports welfare, medicaid, child support, health and a growing number of other major data-based management systems.

Central to all of this is an early commitment to integration. In this case, each client receives one identifying number when first entering the system. All programs use this number thereby allowing the Department to cross-reference its clients across programs.

Another key decision is that we use information systems to take the paperwork our of the hands of staff as much as possible, freeing them to pay attention to the client. For example, our AFDC system includes an automatic grant calculator, relieving social workers of the burden of figuring the monthly grant award.

Our newest innovation in this area affects our Child Support Enforcement program. Using our Modification Project grant from the Office of Family Support, we have just automated our Melson Formula, used to calculate the support orders for both parents. This will reduce staff time devoted to arithmetic in favor of working with both parents on support agreements.

The unrealized potential of using information management to benefit program integration is enormous. I will illustrate a few more examples as we focus on human resources.

HUMAN RESOURCES:

The third building block, and the one we are belatedly recognizing as the most critical is the Human Resource. By this we mean our personnel who provide direct client services and the staff who support them. The other two building blocks, Physical Resources and Information Resources only exist to facilitate the interaction of our staff and our clients.

We look to our care givers to reflect:
- concern for the client;
- knowledge of the system;
- focus on results.

We find ourselves placing more and higher expectations on our staff. Our array of programs is no longer "one size fits all". As we broaden the continuum of services we depend on staff to "take the measure" of the particular client need and refer to the appropriate part of the service continuum. If we are succeeding in the "maximizing" part of our client commitment, we often expect to see the client "move through" a particular part of the continuum to another. This all takes staff judgment.

We recognize that clients have complex needs. The staff expert from one program area, say AFDC, needs to know a little something about the other programs and access requirements. More and more we are seeing our direct client staffers as case managers. Even when we expect something less, we still expect staff to be alert and assertive on behalf of client referral needs.

In our commitment to "working with..." our clients, we are seeing our staff more often as coaches, helping to bring out the best the client or family can achieve. This role for a social worker, for example, is quite different than just being an eligibility worker. It takes more training, but is often the more rewarding and appealing side of the job.

One of our latest innovations in this area is one we have jointly done with United Way of Delaware. We have combined our information and referral hot lines. We now have merged our respective staffs at one location. When the one statewide 800 rings (1-800-464-HELP), a staffer responds providing access to over 450 public and private programs. The caller does not know whether it is a State or private program person they are talking with, nor do they necessarily know whether the resulting referrals are to public or private programs- nor do they care.

This joint referral system is supported by a computerized data base using an artificial intelligence expert system, so the staffer can quickly call up on screen the nearest Service Center, food closet or whatever is needed closest to the caller. Through call transfer, the client will be linked to the service, without having to make another call.

Training, automation, and a supportive organizational climate are all necessary ingredients to staffers successfully working across both internal and external organizational boundaries on behalf of clients.

HOW DOES IT WORK - TWO CASE EXAMPLES:

Our commitments to the client and to being a self-correcting organization, along with our three resource building blocks translate into a quality of service which we strive for on a daily basis. I would like to offer two real examples which demonstrate how all of these elements come together to provide integrated services. One example is that of a senior citizen. The other is that of a welfare recipient.

I will outline the first case. The second is that of Maria Rodriguez who is here to tell her own story.

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On February 25, 1991 we received a referral from the Hudson State Service Center. A social worker at the center had taken an application for public assistance and food stamps from a 63 year old woman who been unemployed for several months due to a heart condition. The worker felt that the applicant was having great difficulty completing the application and understanding the process. As a result of the concerns, the social worker called the Division of Aging to make a referral.

The case was immediately assigned to a case manager and a home visit was made the next day.

While completing our comprehensive assessment tool, the case manager found that the client was facing multiple difficulties. Not only was the client unemployed and without income but she also had several delinquent debts which had been referred to a collection agency. The case manager tried to ascertain as to why these bills had gone unpaid. With great embarrassment the client reluctantly admitted that she could not read. Since she could not read or understand the bills, she threw them away.

The case manager began to develop a care plan. Home delivered meals were started, the applications for general assistance and food stamps were completed. Since it appeared that the client would never be able to work again, the case manager assisted the client in applying for Social Security benefits.

There were still several major obstacles facing this client. She could no longer afford to live in an apartment with a rent of $450.00 per month. She also had the albatross of two bad debts hanging over her. After many phone calls to the companies to whom she owed money, the case manager was able to convince them to forgive the debts. The collection agency was contacted and informed of this decision.

Our case manager became aware of a vacancy at a local subsidized senior high rise. Fortunately, there was only a short waiting list, and our client met one of the federal priorities; she was paying over 50% of her income towards rent. The client's application was accepted and she will be moving on June 1.

We now have the client registered with a local health clinic and she is participating at a senior center. She is receiving adequate nutritional and emotional support.

After moving into the senior high rise in June, our client plans to participate in a literacy program already at the site.

It seems clear, that just one phone call from a concerned professional in our department to the Division of Aging, has indeed changed the course and quality of this client's life. She is now getting the support she needs to live a healthy, safe, and fulfilling life in which she has helped herself through the assistance of a caring case manager.

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MARIA RODRIGUEZ

Maria Rodriguez initially contacted the First Step Employment and Training Program on September 21, 1989, to request information about educational programs, particularly the First Step Program at Goldey Beacom Business Training Center. Maria had volunteered for First Step after hearing it described by her AFDC eligibility worker at the Northeast Center. The First Step case manager described the program to her, arranged an appointment to assess Maria and refer her to a program, and discussed supportive services available through Employment and Training. Maria expressed an interest in child care services, so an appointment was made for her with a child care worker, also located at Northeast.

On October 15, 1989, Maria Rodriquez met with her First case manager. At that time, the case manager assessed Maria's educational background, work experience and skills. Maria's barriers to employment were also assessed, and it was determined that she would need assistance with transportation and child care services in order to participate in the program. She was then referred to the First Step Goldey Beacom Contract Program in Wilmington, and a testing appointment was arranged by telephone for later that day. A service plan was completed with her case manager in which Maria's goals and a set of activities which would enable her to achieve those goals were written. In addition, a written referral was sent to the child care unit to follow up the previous telephone referral by the case manager. (At a later date, Maria determined that she did not need that service.)

The same day that she completed the referral and paperwork for the First Step Program, Maria tested and was accepted at Goldey Beacom. She was enrolled in the program and started classes on October 10, 1989. She was given bus tickets, which were available through First Step funds, to provide the needed transportation to the program. In December, at the request of her Goldey Beacom instructor, Maria was provided with an appointment for an eye exam and eye glasses with an opthamologist only two blocks away from her training site. The First Step Program paid for those services with a vendor payment to the eye doctor. Maria completed the First Step Program and was accepted in the clerical skills training program at Goldey Beacom at the end of December, 1989. She started the clerical skills training program on January 16, 1990 and successfully completed that program on May 30, 1990. Maria Rodriguez started work at the Family Court in Wilmington on June 4, 1990 as a clerk typist. Her position paid $7.43 per hour and included all the benefits of regular state employment. Routine tracking by the First Step case manager has continued during her employment at the court.

Maria remains active with the Department as she currently receives Food Stamps, Medicaid and Child Support.

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CONCLUSION:

The human service environment of the 1990s is complex and all indicators are that it will become more challenging. In fact we in government are making it more complex for good reason. We are constantly broadening the array of options, the continuum of services that, when well managed, offer greater prospects of success for the public we serve.

Part of the challenge for those of us providing direct client services is for us to master the complexity, and not pass it on the client. The paths of entry into services must become easier, less forbidding, while the array of available services becomes more diverse. We see this as one of the special challenges we have as part of our "working with..." commitment to our clients.

Along these lines, let me close with some suggestions:

1. Care should be taken by the Congress and Executive Agencies to understand the implementation challenges implicit in existing and new programs and directives.

Presently our staff "integrates" the USDA and DHHS regulations on Food Stamps and AFDC for our clients. Could the Federal Agencies and Congress integrate them before they get to us? What about employment and training requirements for these two programs, as examples?

2. Integration through information management and automation is "good" news about what technology can do to let our human resources keep up with rising expectation.

Programs such as enhanced 90-10 Federal support for information systems have been and will continue to be an excellent avenue to foster the application of rapidly evolving technology to human service management. This funding should be allowed for not only development of systems but also enhancement of systems so that States can harness new technology as it becomes available. New technologies cannot only improve delivery of services, but may also reduce the costs of automation. For example, Delaware is now experimenting with "downsizing" systems from mainframe computers to Personal Computers at significantly reduced costs in development and maintenance. One approach might be for the Federal Government to offer special Technology Demonstration Grants to encourage the use of new technologies.

3. **Technology transfer needs to keep pace with the changing human service environment and the innovations being made by service agencies around the country.**

Congress and the Executive Agencies can collaborate with State and local delivery agencies to identify and spread information on new management developments and the systems which support them. This hearing itself is an example of this.

4. Be mindful that divided jurisdiction over major public assistance programs tends to cause all of us to lose a comprehensive perspective on their results.

Nutrition programs, for example, can become so subdivided between program funding categories and implementing agencies that all of us can easily lose contact with their combined impact, or lack of it, on our clients.

5. Maximize program access for eligible persons and operational flexibility by emphasizing that regulations must address these needs.

For example, Transitional Child Care is a service offered to AFDC families leaving AFDC due to employment, yet the client reporting requirements are more stringent than for those receiving AFDC. As a result, many eligible clients decline to participate and implementation for the Agency is costly and complex.

6. Encourage the integration of a competency-based Case Management concept into federal programs as a means to enhance the coordination of client services.

Case Management is a need-based client centered service with concrete outcomes that lead to self-sufficiency. Key components are providing and coordinating client services between agencies. At this time, the Family Support Act is the only legislation that addresses the issue.

Thank you for this opportunity to participate in your hearings on a topic of such interest to our State and its citizens.

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Human Service Environment of the 1990s

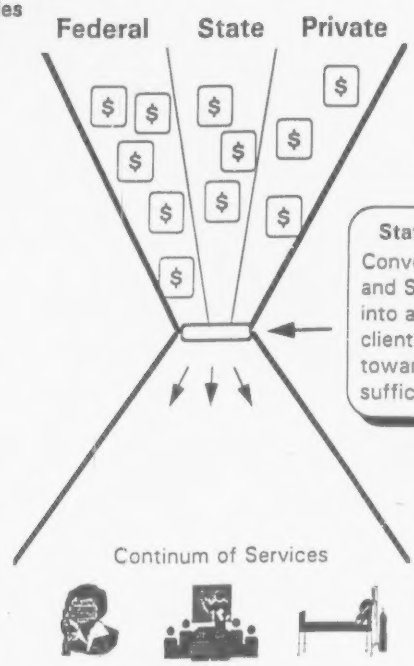
	Problems	Opportunities
Clients	Complex problems which span family members. Growing elderly poplulation.	Expanding employment opportunities for clients.
Programs	Lack of integration at the Federal level.	Many untapped private/ community resources.
Resources	Limited budget growth. Staff enter with incomplete skill set.	Exploit new technologies to increase efficiency and support caseworker decisionmaking.

ATTACHMENT A

Making Complex Programs Simple to Use

Federal/State Programs

- Multiple Fund Sources
- Complex Regulations
- Eligibility Varies



State Program Planning

Converts a myraid of Federal and State funding resources into an integrated approach to client services directed toward maximizing client self-sufficiency and independence.

Examples:

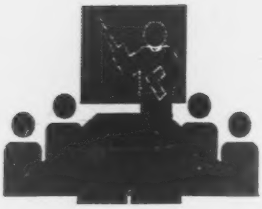
- Community Long Term Care
- Social Services Case Managment
- Watch Program

State Programs

- Complex to meet complex client problems.

- Designed to be simple from the client's perspective.

ATTACHMENT B



Human Resources

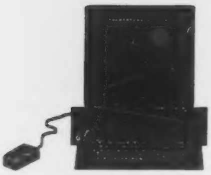
Integration Across Programs	Emphasis on communicating horizontally across the organization. This is supported through task groups, training, and an annual managers conference.
Decentralized Decision-Making	Staff are encouraged to solve problems at the level closest to the client. Management flexibility and risk taking are encouraged through training and our 'culture'.
Quality Service	Training programs have been expanded and an employee recognition program highlights the types of performance we value from staff.
Accessibility	Positions have been reclassified to get the types of staff needed to do today's jobs. Where the labor market is weak, such as in nursing, we have implemented a special recruitment and training program to get the staff we need.

ATTACHMENT C

Physical Resources

Integration Across Programs	DHSS intake staff from various programs are colocated at the Service Centers to facilitate coordination of services to the client.
Decentralized Decision-Making	Service Centers are a key point where demographic and service information are obtained for decision-making.
Quality Service	Centers are well maintained and comfortable. The client is treated as a 'consumer' of our services.
Accessibility	Centers are at 12 strategic locations with most clients needing to travel less than five miles to get to a center. An 800 number is operated to provide telephone assistance in getting information about services.

ATTACHMENT D



Information Resources

Integration Across Programs	A client receives one identifying number when first entering the system. All programs use this number thereby allowing the Department to cross-reference its clients across programs.
Decentralized Decision-Making	A new system allows individual agencies to access their mainframe data directly without the assistance of a programmer. Several expert systems are also in place to assist the caseworker
Quality Service	Systems are designed to provide information that is both reliable and useful to all levels of staff. New systems are being developed that are very easy to use and integrate data, wordprocessing, electronic mail, and other applications.
Accessibility	A Statewide network of computers links service centers and other facilities. Over xx% have access to the system.

ATTACHMENT E

QUESTIONS FOR SECRETARY EICHLER

1. To what extent has the "superagency" format affected error rates in your state?

For the most part, program error rates in Delaware have steadily declined over the past decade. It has only been in the preceding year or two that the rates have leveled off and have begun to inch higher. There is no doubt in my mind that the "Superagency" format has had a positive impact on this outcome. For error reduction purposes, corrective action committees are comprised from many of the Divisions of the Department of Health and Social Services (DHSS). These include Social Services; Planning, Research and Evaluation; Child Support Enforcement; and Business Administration and General Services. By working together, members from these Divisions are able to develop, plan, implement and evaluate initiatives designed to attain low error rates. This is another example of DHSS as a self-correcting organization.

In addition, progress made through Information Resources has had a major impact on reducing the error rates. As I had mentioned in my testimony, our AFDC system includes an automatic grant calculator which relieves social workers of the burden of figuring the monthly grant award. This has also been a great error reducer! In fact, the Delaware Client Information System (DCIS) is continually being adjusted/improved for corrective action purposes.

Although a "Superagency" format can have a positive effect on error reduction, if the States are ever to make great strides in this area, the federal agencies and Congress must take steps to integrate the USDA and DHHS regulations on Food Stamps and AFDC. In today's era of limited government resources and overburdened workloads (which inevitably could lead to increased errors), it is important for Congress to do its part by ensuring that appropriate policies are integrated to avoid error proneness.

2. To what extent has Delaware integrated programs through automation efforts?

Delaware achieves significant program integration through its automated systems. The key to this is the use of a single identifying client number for each client who receives services from the Department. Each program that works with the client uses this number in its system to identify the client. As a result, Mary Jones in the AFDC program can be linked to Mary Jones in the Child Support system since both systems have Mary's single identifying number. The number itself is called the Master Client Index number and currently over 400,000 people are registered with such numbers in our system.

This feature of our systems supports quality service delivery from the caseworker level to the program manager and planner. Here are a few examples.

When a client comes into one of our service centers and sees a caseworker, one of the first actions of the worker is to look up the client in the Master Client Index to see if the client has previously been entered and get a service history. The service history is not only for the program the client might be asking for, but for a wide range of programs. For example, an AFDC worker might find that a client has been involved with our Public Health clinic. This might be discussed with the client and the Public Health worker contacted by the AFDC worker to arrange for continued services.

When a person begins receiving AFDC, child support payments should (as per federal regulation) immediately be redirected to the State's account instead of being sent out to the client. Since both systems use the Master Client Index number, the AFDC system can signal the Child Support system to redirect the monies the same day the client is approved to receive AFDC benefits.

Case managers who often broker services across programs can use the Master Client Index number to find out if other agencies are doing what they are supposed to do for the client. Not only does the number allow them to find out if the client is registered in the other program, but also query that program's system to get the details of what services are being delivered.

Lastly, program managers and planners use the number to analyze patterns of service delivery across programs at a higher level. For example, data might be obtained that finds that elderly Medicaid clients are using nutritional services at a lower rate in one area than in another, suggesting that client awareness of and accessibilty to the program might need to be investigated. This type of analysis would not be possible without the Master Client Index number.

In summary, our ability to track clients across our programs enables a high level of program integration from the initial point of contact with the client through program planning and evaluation at the highest levels of the organization.

3. How critical a role has "case management" played in the success of your system?

Case managemnt is a critical element in our service delivery system. The concept of case management provides the base which focuses our workers' attention in a holistic and coordinated manner. Conceptually, case management requires our workers to view each client in his/her totality. The worker assesses and attempts to help each client not only psychologically, financially and socially but in other relevant areas, as needed. The client is viewed as part of a larger system. Does the client have needed support services (e.g., transportation and child care)? Is the client's self-esteem sufficient to prevent him or her from just giving up and dropping out of the program? Does the client have a successful employment history? Does the client have family or friends who can provide informal supports? By assessing this information, the case manager is more likely to provide the specific services and supports necessary to ensure the client's success. Without case management, services are piecemeal and fragmented. This may be acceptable when clients have only a limited number of specific needs. Unfortunately, a large number of our clients (whether welfare, elderly, physically disabled, retarded or mentally ill) usually have multiple and complex needs. This complexity of needs requires the provision of services which cross organizational boundaries. Clients may need services from another DHSS Division, another Department, a private nonprofit agency or a community service organization. Each client is unique with their own problems, strengths and dreams. Case management provides a structural mechanism which allows us to efficiently respond to this individuality.

This is a very human resource intensive process. Our case managers are empowered to make numerous decisions at a nonsupervisory level within the organization. Intensive training resources are required to ensure the success of this system. In addition, we have been adding technological resources such as personal computer-based information systems to enhance the case worker's capabilities.

Even employees who are not technically "case managers" are encouraged by our organizational culture to be alert and assertive on behalf of our clients. Thus, we believe that, without the concept of case management, our goal in reducing the complexity for our clients, while allowing them to access a diverse continuum of network services, would not be practical or achievable.

sm-5/30/91
c:hunger

Testimony Before
The U.S. House Select Committee on Hunger
by
Andrew P. Hornsby, Jr., Commissioner
Alabama Department of Human Resources

Mr. Chairman, Committee members, thank you for the opportunity to offer testimony on welfare simplification. Relevant to this Committee is a demonstration project currently operating in three Alabama counties called ASSETS (Avenues to Self-Sufficiency through Employment and Training Services). This demo, which is being conducted under waiver authority from the departments of Health and Human Services and Agriculture, has the potential to greatly simplify the administration of welfare programs. I would like to commend the federal agencies and the Low Income Opportunity Advisory Board for their assistance and guidance in the development of the project. The major characteristics of the ASSETS project are:

1. It merges program policy and instructions for AFDC, Food Stamps, and LIHEAP into a common set of rules.
2. It merges policy and instruction for Food Stamp Employment and Training and JOBS into a single set of rules.
3. A single worker determines eligibility for AFDC, Food Stamps, LIHEAP, Medicaid. This worker is also the case manager for the integrated Work and Training Program.

4. A single cash payment in the form of a check is issued to the household either once or twice a month. The check stub shows the amount for nutrition assistance, family assistance, and energy assistance.
5. The participant has to deal with only one worker. He or she could have as many as six workers for the same array of benefits and services under the regular welfare system.
6. All families receiving food assistance (former food stamp families) are subject to child support requirements and services on the same basis as those who receive AFDC in the regular program. The requirements include cooperation in locating and securing support from absent parents.
7. Each ASSETS case manager enters information into a computer terminal rather than a paper form as he or she interviews the client. Thus, the process is relatively paperless and it eliminates multiple records.
8. Generally, ASSETS policies for determining eligibility were developed by selecting a policy from one program and getting concurrence from the other program. For example, the food stamp standard work expense disregard of 20% was chosen over the comparable AFDC policy. In some instances, the policy we implemented was different from that of any existing program.

ASSETS began in the first county in July 1990 and has only recently started in the other two counties; the counties are diverse in size and the demo is scheduled for four years.

Let me tell you why we undertook this project, what we have learned thus far, and what might be the implications for national policy.

The major reasons for this project are:

1. To provide the people we serve more efficient and understandable access to benefits and services.
2. To reduce program complexity, particularly for AFDC workers, who currently handle multiple programs without conforming policy.
3. To save money on administration by eliminating duplicative processes as well as the extremely high costs associated with food coupons.
4. To reach more poor families with child support services and employment and training services, thereby strengthening families and fostering financial self-sufficiency.

While it is too early in the life of the ASSETS demo to reach many conclusions, there are some things we have learned and would like to share with you.

1. There are more people out there who need benefits and services and have not applied for them than we anticipated. Applications for benefits are increasing in our ASSETS counties, and a high percentage of the

applicants are being found eligible. When a single case manager handles the case it increases caseloads in every program. Applicants generally come in for Medicaid or food assistance and leave with everything for which they are eligible.

2. About 60% of the cases in the food stamp caseload need child support services.
3. Computer systems development to automate the operation takes longer than planned.

Let me add a few final comments on the implications for national policy.

1. The development of simplified and conforming policies for AFDC and Food Stamps has the highest significance for national policy. In Alabama, approximately one half of all AFDC cases are a part of a larger household. Therefore, these people may go through separate means tests by separate workers and often in separate locations in the community. When the programs are merged, it saves the client time and transportation costs and saves the agency time. If our demo is successful and can be expanded, we can streamline the bureaucracy and save the valuable time of line workers.
2. The feasibility of issuing cash instead of food stamps remains to be seen. Cash is certainly the simplest and least expensive method of distributing benefits.

It is also the most controversial part of our program. We do not think this method will cause more hunger. Please note, however, that merging food stamp and AFDC program policies is not contingent on changing from a coupon to a cash system. The merging of policies is a positive step regardless of the form in which the benefits are delivered.

3. I understand the conflict between the budget deficit on one hand and providing benefits and services to all eligible persons on the other. We know that using a single worker for food stamps, AFDC, Medicaid, and LIHEAP increases program participation and, therefore, cost. I hope you agree it is in the best long term interest of this country to not hold participation down by maintaining the current restrictions on access that are based not on an applicant's need but on his or her ability to surmount bureaucratic obstacles.
4. We recommend that the USDA adopt the AFDC rules for child support as soon as possible.
5. Conceptually, Food Stamp Employment and Training and JOBS should be merged. We would recommend a thorough consideration of the cost and benefits.
6. Presently, most of the non-AFDC Medicaid eligibles in Alabama qualify at 133% of the poverty level. The gross income limit for food stamps is 130%. If

the Medicaid program were willing to accept the food stamp means test for pregnant women and young children, there could be enormous advantages - both financially and in service to clients. We would not support such an arrangement based on the current means tests which would require food stamp staff to administer a different set of rules for Medicaid.

7. The Family Support Act is a positive and revolutionary step in welfare reform. Our hope is that the next wave of reform will attack the issues of program complexity, client access, and administrative cost.

In closing, I recommend to the Committee that welfare simplification be given the highest possible priority. A major justification for such a priority is the need to conserve limited tax dollars. Alabama, which provides minimal human service programs for the poor, cannot afford to continue spending excessive portions of its welfare budget on administrative costs that are unavoidable because of current federal laws and regulations. States like Alabama cannot afford significant additional funding for social programs, and we do not anticipate large increases in federal funding. To cope with the increasing demands on our welfare system, we need to adopt procedures that will provide the most service for the dollar.

Testimony of Maria C. Rodriguez
Before the House Select Committee on Hunger
April 23, 1991
Washington, DC

I was born in West Palm Beach Florida on April 23, 1958. My family migrated to camps from Chicago to Florida, picking fruits and vegetables, until we got old enough for school and my father had to stop. He settled down in Delaware and always held down two jobs to be able to provide for us. We didn't have very much, but he always made sure we had something. I rarely saw him because he worked so much. On Sundays he would take us for a ride that usually lasted for 3 to 4 hours, that was our outing together.

My mother had to find ways to make the food last. I remember them buying 50 pounds of potatoes, we would eat potatoes every night; but she would make them different every night. I realize now the pressures she must of had on her, trying to keep us out of the refrigerator, and finding ways to feed us so we wouldn't get tired of eating the same foods. I remember one time when my sister and brothers and I waited in the car while my parents went grocery shopping. My sister found a dollar bill, we all decided to buy a pie, we sat in the car and ate it with our fingers. You would have thought someone had given us a million dollars.

When I was 12 I went to work with my father in the fields picking vegetables in the summer. I worked from 5 till sundown, and during the school year I worked after school until winter came. I worked to be able to pay tuition to attend catholic school. Many times I got so tired I just wanted to sit and cry. But my father would keep our spirits up by having a tomato fight, or having a race to see who would finish first. On Sundays he would reward us with a banana split. My father would always tell us life wasn't easy, you had to be strong and have patience to be able to have something.

I always wanted to be a lawyer, and I used to tell my parents, that they would never have to work again, because I was going to take care of them. But the main thing is my parents prepared me for hard work, and to have patience. I dropped out of school in the 10th grade and got married and started a family. I worked janitorial work part-time in the evenings, but I found it hard to take care of small children and work in the evenings. Many times I couldn't find a baby sitter and had to take them with me, I had to juggle with baby sitters every day. I once had a job in landscaping, it was only in the summer, with no kind of insurance, praying that none of the kids got sick.

The last job I had was as a receptionist. I had to work more than 8 hours a day with no kind of medical insurance, no vacation, or sick days until my daughter had to have surgery, I was forced back on welfare. I lost my job for being off while she was in the hospital, and I needed the medicaid to help pay the hospital bills. I also worked at my children's school as a teacher's aide so my children would be able to attend catholic school. Betty, the oldest, is involved in programs to help people fight drugs. She is very responsible, she baby sits for me after school while I work, she helped me through school, as far as preparing for a test, or just keeping the rest of the kids busy so I could study or just rest. Delia is 12, she is always trying to find ways of making me feel better, she will work at her grandmother's to make a few dollars and saves cans, so she can buy things for the house. Juanita is 9, she is a very active little girl, but the most friendly person you would want to meet. She keeps me going even on my bad days. Eladia is 7 and Maria 6 are always writing me letters telling me how much they love me, and drawing me pictures of the whole family and of all the nice things we are going to have one day.

I have been on and off welfare since the birth of my first daughter 13 years ago. I dreaded to have to go and answer all the personal questions and feeling guilty about how my life has gone, and those days, waiting on the welfare check and the days it didn't come for some reason, and worrying and wondering why. The happiest times were when food stamps came and we could go grocery shopping together and each child got to pick out their favorite food. The last time I applied for welfare was at the new Northeast Service Center where I got an appointment ahead of time and I didn't have to wait in line for the doors to open to be able to apply and I didn't have to wait all day to be served.

At the old place I had to wait till 1 or 2 to be served; at the new place I was called in, applied for AFDC, Medicaid, Food Stamps and applied for the First Step Program and was offered day care services. While I went to school, I was offered a chance to have my eyes checked and received glasses. I volunteered for the First Step program, I was called to take the entrance exam, and passed.

I started the First Step program a very scared person and with very little confidence it was going to go anywhere. I started with a very negative attitude about myself, I already knew I couldn't do it. The First Step people and program taught me that I could speak up and express myself and that I mattered and that I had an opinion, and that we could change our lives to be what we wanted to be. We learned that there were people who cared and who understood. There were many problems: I have a daughter who is hyper-active. My younger daughter thought that she was losing her second parent and would cry when I left her, and asked me to please come back. There were many times when some of the girls and I didn't have money for lunch, we stuck together and someone would always bring extra. Just trying to do homework, study, housework, cook and just to have time for your children, I had to learn a whole new life and routine.

After 6 interviews and worrying and wondering, I received a call telling me I was accepted at Family Court. I cried and had my counselor crying with me. My responsibilities are typing, scheduling cases, making sure paperwork gets to the right files and docketing them, and making sure cases are ready for court, making sure judges and masters receive important papers, answering questions, and interpreting. My goals are to go back to school, and then to law school.

DEPARTMENT OF HEALTH & HUMAN SERVICES

STATEMENT BY

HOWARD ROLSTON

ASSOCIATE ADMINISTRATOR FOR PROGRAM EVALUATION

ADMINISTRATION FOR CHILDREN AND FAMILIES

DEPARTMENT OF HEALTH AND HUMAN SERVICES

BEFORE THE

SELECT COMMITTEE ON HUNGER

U.S. HOUSE OF REPRESENTATIVES

April 23, 1991

Mr. Chairman, members of the Committee:

Thank you for the opportunity to speak with you this morning on integration and simplification of public assistance programs. This is an opportune time to address this subject since there are a number of significant integration efforts going on at all levels of government.

The newest effort is the creation of a new agency in HHS, to be known as the Administration for Children and Families. As the Secretary announced on April 15, he expects the new organization to result in a comprehensive effort which will heighten the emphasis on children and families at the national level and deliver coordinated, complementary, and integrated services and assistance at the State and community level.

The new organization will continue the commitment of the Family Support Administration to providing timely and targeted assistance to America's vulnerable families. With the passage of the Family Support Act of 1988 and the inception of the Job Opportunities and Basic Skills Training (or JOBS) program, we have been placing particular emphasis on coordination of activities to help families achieve self-sufficiency.

Secretary Sullivan is committed to this effort. In fact, he has made it a key priority within the Department of Health and Human Services. Last spring, he developed a comprehensive plan of nine fundamental Program Directions for the Department. One Program Direction is to "improve the integration, coordination, and continuity of the various HHS-funded services potentially available to families currently living in poverty."

Each agency and operating division within the Department developed specific plans to increase service integration. The Family Support Administration has shared lead responsibility, with the Assistant Secretary for Planning and Evaluation, for improving the coordination and integration of services for families on welfare in order to help them become economically self-sufficient. Thus, within HHS and FSA, there has been a strong commitment to improving the coordination and integration of services at the delivery level in order to help families obtain the assistance they need to become self-sufficient. This commitment will remain a top priority for the new Administration for Children and Families. This morning I will be sharing with you some of our ongoing efforts and successes in this area.

Over the past three years the central focus of our efforts has been to improve the delivery of services to assist welfare recipients to gain and maintain self-sufficiency. We have been working diligently to implement the Family Support Act of 1988, which provides a broad array of benefits to help families achieve self-sufficiency. It promotes self-sufficiency by providing:

--better tools for the collection of child support;

--new educational and training assistance and supportive services through the JOBS program, as well as additional child care assistance; and

--better support for working families (in the form of child care services, and transitional Medicaid and child care benefits).

Under the legislation, the JOBS program provides a focal point for the integration of program services. In addition to funding employment, education and training activities, this program provides funds for assessment, case management, and other supportive services. With JOBS funds, welfare agency staff can work with recipients in developing a plan for improving their employability and other aspects of self-sufficiency. They must integrate JOBS services with assistance under the child care, AFDC and child support enforcement programs.

Many States are taking advantage of the opportunities presented by the JOBS legislation to provide case management services and to develop a more integrated system of service delivery.

To that end, we have been encouraging improved coordination with the JTPA system for training activities; with the educational system for basic, remedial and more advanced educational programs; with child care resource and referral agencies, Head Start, Chapter I programs for improved access to child care and development services; and community-based organizations.

We have joined with the Departments of Education and Labor in funding a $6.3 million technical assistance contract to assist States in developing more effective JOBS programs. This assistance will concentrate on a few selected areas--including program design, automated systems design, and program coordination issues.

In the automated systems area, we are providing enhanced Federal matching funds for States to develop interfaces between their existing statewide automated AFDC systems and new JOBS systems. We are working closely with States and our counterparts in other Federal agencies to develop more consistent data reporting requirements and systems specifications.

We are also working to create model partnerships between Head Start and JOBS programs within States. Under these partnerships, Head Start centers may be used as training and employment opportunity sites for JOBS participants, Head Start parents may receive special encouragement to participate in JOBS, Head Start programs may receive IV-A funds to provide extended day care services, and Head Start and JOBS funds may jointly fund family literacy activities.

The Omnibus Budget Reconciliation Act of 1990 further expands our ability to serve needy families which are struggling to support themselves, but do not meet requirements for other categorical programs. In particular, it creates two new child care programs. The first provides Federal matching funds for families which are not AFDC recipients, but are at risk of being dependent on welfare. This program, which is funded at $300 million a year, enables States to serve families which cannot qualify for transitional child care under the Family Support Act, but have needs which are similar to those of current or former recipients. The second program is the Child Care and Development Block Grant, which will make $732 million available to States, Territories, and Tribes in September for child care services for low-income families, increasing the availability of early childhood development programs and before-and after-school care, and for improving the availability and quality of child care. Within the scope of the two different statutes, we are striving to develop compatible program rules which will enable States to develop seamless systems of child care services.

In addition to our efforts on implementing this recent legislation, we are pursuing a number of additional interagency coordination efforts. Among the most important are Economic Empowerment Demonstration projects which we are sponsoring jointly with HUD to provide comprehensive and integrated programs of work experience, job training, economic development, and supportive services for families in public and Indian housing.

Another effort is the Comprehensive Child Development Centers which we first funded with grants in 1989. These grants direct health services, child care, early childhood development, early intervention and nutritional services toward infants and young children who need intensive and comprehensive support. Parents and other members of these low-income families receive services such as pre-natal care, education in infant and child development, health nutrition and parenting, referrals to educational, employment counseling and training and assistance with social welfare needs. In the first year, we funded 30 planning and 22 operational grants. For FY 1992, we are requesting funds to provide 24 grants--the same number as for the preceding two years. A report to Congress evaluating these projects is due October 1, 1993.

I would now like to turn to our recent efforts specifically in the area of program coordination and simplification between AFDC, Food Stamps and Medicaid.

Developing compatible program rules and procedures is a difficult process because so many of the program differences are statutorily based. Further, achieving a significant level of compatibility would require changes which would either disadvantage recipients or cause substantial increases in program costs. Nonetheless, we are committed to trying to increase compatibility where possible.

Currently, several demonstration projects which test the integration of benefits have been approved or are operating; these include the Minnesota Family Investment Plan, the Washington Family Independence Program, and the Alabama ASSETS project which will be discussed later this morning. These projects all include rigorous evaluation requirements, and we expect to learn a great deal from them about the impact of closer coordination between AFDC and the Food Stamp program.

Our coordination efforts with HCFA have focused extensively around program administration issues--such as quality control, data exchange and matching policies. In the program benefits area, we are currently working with HCFA to achieve compatible eligibility rules for transitional child care and transitional Medicaid benefits. Both benefits are available under the Family Support Act for up to 12 months for AFDC families who leave welfare as the result of increases in earnings or hours of work, or the loss of the time-limited disregards. We are also working with HCFA on developing policies for state referral of appropriate Medicaid applicants to determine whether they might benefit from child support enforcement services. In some cases, a child support order may include medical support, thus reducing or eliminating the need for government-funded Medicaid.

I would also like to bring you up to date on the status of some other Departmental initiatives which were discussed when we last testified before this committee in 1989. At that time, we spoke about our ongoing efforts to assist States in automating the AFDC program. Our predecessor agency initiated a model plan called the Family Assistance Management Information System (FAMIS) in 1981 for use statewide by welfare agencies. Currently, 26 States have approved FAMIS systems in use, streamlining operations and helping families receive benefits quickly. In the past two years, we have certified eight States; these certifications include some of the larger States, such as Texas, as well as some systems which are more sophisticated programmatically and technologically, such as Connecticut and Kansas. Several additional large States (including Florida, Minnesota, and Ohio) are close to completion.

Almost all State agencies have integrated both the Medicaid and Food Stamps program requirements into their FAMIS. Where possible, we have undertaken joint reviews of these systems and coordinated our systems approvals. We have also been promoting interactive child support systems. Overall, we are very pleased with the results of automation, but we still have several concerns to resolve.

One important part of our overall automation effort is Electronics Benefits Transfer (EBT). This exciting technology allows AFDC recipients to access their benefits through automated teller machines and point-of-sale terminals at grocery stores. We encourage the use of this technology as long as it is cost-effective for the AFDC program and it imposes no unnecessary restrictions on the benefits of recipients.

Some States have proposed to place restrictions on the access of AFDC recipients or to charge recipients a fee for withdrawal of their benefits. Along with FNS, the Treasury, and a number of private-sector organizations, we continue to explore ways in which EBT systems can be made cost-effective without unduly restricting access to or reducing benefits.

We are also working to ensure that the Federal government has access to software and documentation developed for EBT systems in order to transfer this technology among the States. We intend to promote the concept of system transfer in EBT systems to the greatest extent possible, both to maximize the use of Federal funds and to increase competition among interested contractors.

Consistent with the Program Directions Plan of the Secretary and our new organizational mission, we intend to continue our efforts to improve the integration, coordination, and continuity of services for needy families. We recognize that such efforts improve the quality and effectiveness of the services we provide. We also recognize that many of the existing program differences create confusion and waste administrative dollars. Most importantly, from the perspective of low-income families, our programs often fail to facilitate the delivery of benefits and services they need to become self-sufficient. We are therefore committed to exploring ways--through our regular program activities and through demonstrations--to bring about further improvements in these areas.

APWA
NATIONAL COUNCIL OF STATE HUMAN SERVICE ADMINISTRATORS

TESTIMONY OF

GARY J. STANGLER

DIRECTOR, MISSOURI DEPARTMENT OF SOCIAL SERVICES

Representing the

AMERICAN PUBLIC WELFARE ASSOCIATION

Before the

HOUSE SELECT COMMITTEE ON HUNGER

HOUSE OF REPRESENTATIVES

April 23, 1991

A council of the American Public Welfare Association
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Mr. Chairman and members of the Select Committee, thank you for the opportunity to speak today at this important hearing. I am Gary J. Stangler, director of the Missouri Department of Social Services. In representing the American Public Welfare Association's (APWA) National Council of State Human Service Administrators, I would like to make three points.

First, as states have implemented new welfare reform measures, we are convinced, more firmly than ever, that welfare programs are children's programs. Second, if the federal-state service mandate is expected to survive economic recession and budget deficits, Congress must simplify and streamline program administration. Third, existing congressional mandates for service coordination, even though well-intentioned, have perpetuated "business as usual." True and long-lasting governmental reform requires that we integrate services.

APWA is a 61-year-old non-profit, bipartisan organization representing the 50 state human service departments, local public welfare agencies, and individuals. APWA has been a leader in the movement to reform and strengthen the nation's economic security and human service programs for low-income families and individuals.

In 1986 APWA published One Child in Four, which presented the state and local human service commissioners' recommendations for comprehensive welfare reform. These recommendations emphasized the need to change assistance programs into vehicles for self-sufficiency for as many recipients as possible. Among the elements of such strengthened programs must be a set of mutual obligations between the welfare agency and the client, opportunities and incentives for education and job training, and a realistic base of income support. Many of these principles were reflected in the Family Support Act, the significant reform of the Aid to Families with Dependent Children (AFDC) and child support enforcement program passed by strong bipartisan majorities in 1988.

As an initiative that originally bubbled up from the states, the Family Support Act acknowledges that as parents take steps toward self-sufficiency, that effort will have great importance for their children. Child support enhancements get more resources to kids and reinforce parental responsibility--particularly for fathers. Education and training for AFDC parents will raise respect for learning and show kids that it makes sense to stay in school. Transitional child care and Medicaid coverage plug the well-being of kids into the contemporary work equation.

One Child in Four called for the establishment of the Family Living Standard (FLS), a nationally mandated, state-specific cash grant that would take the place of AFDC, food stamps, and Low Income Home Energy Assistance Program (LIHEAP) payments. The FLS would greatly simplify the task of federal and state administrators, but even more important, it would reflect actual family need by taking into account the costs of food, clothing, shelter and other maintenance expenses in each state. While the 1988 Family Support Act did not include the FLS, it did require a study of this concept by the National Academy of Sciences. In FY 90 Congress appropriated funding for the study, but it has still not been conducted. APWA urges this Committee to direct the Department of Health and Human Services (HHS) and the National Academy to complete their negotiations so that the study can begin.

As we support progress toward the Family Living Standard and other far-reaching improvements in present systems, APWA has also worked diligently to strengthen existing income assistance programs. In 1990, for example, APWA's Food Stamp Reauthorization Task Force proposed major benefit and administrative improvements for the Food Stamp Program. The recommendations included the removal of unnecessary conflicts and differences between food stamps and AFDC, changes APWA has advocated for years. We were pleased that Congress passed several of these changes last year as part of the Mickey Leland Memorial Domestic Hunger Relief Act, although the fiscal 1991 budget agreement prevented passage of improvements requiring new funding such as the food stamp child support $50 disregard.

Another significant provision of that legislation, also strongly supported by APWA, was the creation of a Welfare Simplification and Coordination Advisory Committee that will recommend coordination proposals among a wide range of human service programs.

Despite these and other recent achievements, public welfare administrators and participants continue to grapple with a system of benefit programs that is too complex, too fragmented, and too expensive to administer. There remains an urgent need to further streamline and coordinate program requirements, and I commend the Committee for continuing to address this serious issue.

APWA and others have testified before this Committee in the past concerning the many differences that exist between the AFDC and Food Stamp Programs, and the difficulties these differences present. Equally difficult contrasts and conflicts can be cited in other human service programs, both those under the public welfare umbrella and those in other systems such as housing, education, and job training. Today these difficulties have been greatly exacerbated by the national economic downturn and the growing crisis in state budgets. States must continue to serve the burgeoning numbers of applicants who come to our doors within the same constraints of accuracy and timeliness that apply in calmer times, yet many states are being forced to reduce staff or at best freeze personnel at inadequate levels.

Since July 1989 AFDC caseloads have risen by over 11 percent and food stamp caseloads have increased by nearly 10 percent. In fact AFDC caseloads are now at an all-time high of over 4.3 million families. In the past five months alone almost a quarter million families have been added to the caseload. As far as we can tell the end is not in sight; recessions hit low-income families first and continue to hurt them long after the general economy has hit bottom and begun to turn around. We cannot continue on this course and still deliver the benefits and services vital to the families we serve. Increases in the AFDC and Food Stamp Programs are significant themselves; AFDC growth is fueling Medicaid growth as well and the need to simplify AFDC and food stamps is therefore extremely urgent.

Another reason we should focus on these two programs today is that well-developed proposals for coordinating these programs already exist and could be put into effect without delay. As I mentioned, APWA has long advocated changes to bring conformity to AFDC and food stamps, starting with a 36-point set of recommendations in 1986. As recently as July of last year, the Alabama Department of Human Resources compiled an extensive, updated list of conformity recommendations and presented them to USDA officials. Several states have planned or implemented demonstration programs that effectively combine or coordinate AFDC, food stamps, and other programs. While some conformity provisions were passed as part of last year's food stamp reauthorization legislation, many changes remain to be made in both food stamp law and regulations. This year APWA has again sent to the appropriate committees legislative proposals for several conformance changes.

The Departments of Agriculture (USDA) and Health and Human Services (HHS) have also worked on this issue for some time. In response to proposals made by the states and APWA, USDA and HHS in 1987 jointly issued proposed regulations to conform several aspects of food stamps and AFDC. Unfortunately these regulations have still not been published in final form. Although some objections were raised to certain provisions of these regulations at the time, we believe that with modification these proposals can and should go forward. We understand that USDA and HHS have recently intensified their work on proposed changes to both programs, and we hope they will quickly announce concrete results from this process.

These past efforts help illustrate an unpleasant but persistent truth: notwithstanding the presence of sound reform proposals, major and thorough program changes are often very slow in the making. But that must not prevent improvements that while incremental, are nevertheless necessary and desirable steps toward the broader program change we seek. The legislative package APWA is proposing for 1991 contains changes that make sense for children and families.

Child Support disregard. The Child Support Enforcement program returns up to $50 monthly of Title IV-D collections to AFDC recipients as an incentive for them to support the collection process. The payments are disregarded in AFDC but counted as income for food stamps. For years this discrepancy has contributed to payment errors and discouraged food stamp recipients from participating fully in the child support enforcement system. This robs children of resources legally due them. Changing food stamp policy to conform with that of AFDC was initially included in the 1990 Leland Act and should be a priority for the Congress this year.

Additional Food Stamp Quality Control Reform. In 1989 Congress passed major reforms in the AFDC quality control (QC) system. These reforms included cancellation of all outstanding fiscal sanctions against states and other changes that helped make AFDC QC more of a helpful management tool rather than the largely punitive system it had once been. The changes reflected strong consensus among Congress, administrators, and independent observers such as the National Academy of Sciences that the previous QC system was seriously flawed. In taking this action Congress made clear its judgement that the QC system had not been a valid measure of state administrative performance and that the system's pending financial penalties should therefore not be paid.

In 1988 the Hunger Relief Act made some improvements in the food stamp QC system, and in 1990 the Leland Act made further progress by waiving the outstanding food stamp QC sanctions against states for fiscal years 1983 through 1985. Congress passed a bill (H.R. 3950) last year that waived all outstanding food stamp QC sanctions, but years other than 1983 through 85 were deleted in the budget summit agreement.

Thus sanctions from fiscal years 1986 through 1989, totalling more than $180 million in potential penalties against states, remain outstanding. Other deficiencies remain in the food stamp QC system as well, in particular the absence of a state's right to appeal sanctions to the Secretary. We strongly support the continuation of food stamp QC reform through elimination of the remaining sanctions against this program so that both AFDC and food stamps can have equal status in this important area of program requirements. If the food stamp sanctions remain, resources could be diverted from child and family programs to administrative cost categories.

Certification Periods. APWA recommends several changes in food stamp certification period requirements, including one that contributes to program conformity and helps families maintain a continuing food supply. The food stamp certification period should be equal to or one month longer than the public assistance or general assistance period for joint cases. This will allow greater coordination of the PA/GA/FS redetermination process. By allowing the FS period to be one month longer than the PA/GA period, FS procedures can be followed if the PA/GA redetermination is not timely.

Simplified Declaration Requirements Extended to AFDC and Medicaid. Sec. 1736 of the 1990 Leland Act allowed a single adult food stamp household member to attest to the citizenship status of all adult members, greatly simplifying the Food Stamp Program for administrators and, more importantly, for clients. Nonetheless, individual attestation requirements remain in the AFDC and Medicaid programs, making them inconsistent with food stamps and creating the likelihood of errors, confusion, and delays in critical services. The same change should be made to the AFDC and Medicaid programs so they will be consistent with food stamps. Children should not be forced to wait for basic health care. Families need quick access to cash for rent and utilities. AFDC will be subject to QC errors beginning in October 1991 if required signatures are missing.

Federal Income Tax Intercept. APWA supports use of the federal income tax intercept as a tool for collecting outstanding claims in the Food Stamp Program as is now done in other programs such as Child Support Enforcement.

Flexible Employment and Training Funds. Family independence is the new face of public assistance, and the Family Support Act is the states' primary tool for building family financial capacity. The Act's call for agency coordination includes the U. S. Departments of Health and Human Services, Labor, and Education but does not extend to the Department of Agriculture. Employment and training funds are available through JOBS and through the food stamp Employment and Training (E&T) program, but different rules and service targets keep states from maximizing these funds.

Services for AFDC clients are intensive and long-range. Services for food stamp clients emphasize quick job search and high volume. With more consistency in program rules and the ability to blend both funding sources into one pool, states could be more flexible and creative in serving both types of clients.

Last year's food stamp reauthorization legislation contained a provision (Sec. 1756) authorizing demonstration projects in which JOBS and food stamp E&T can be coordinated. These demonstration projects could perhaps allow the degree of coordination we need, but even so will operate in only a limited number of sites and must be individually approved by USDA. This flexibility should be made available to all states, to be implemented at their option.

I would like to point out for your consideration today one additional source of information on the general topic of program coordination and integration. Over the past two decades human service agencies have implemented numerous initiatives to promote integrated management and delivery of human services at the state and local level. According to an excellent study recently conducted by the HHS Office of Inspector General, Services Integration: A Twenty-Year Retrospective, these initiatives have, in large measure, been implemented in response to increased specialization and complexity of human service programs. The Inspector General's office in its review of the literature on services integration over the past 20 years found that the clearest lessons learned to date are about factors that inhibit services integration. These factors include:

- the size and complexity of the human services system;
- the highly professionalized, specialized, and bureaucratic nature of the human services environment;
- the limited tenure of "integrators" or human service agency generalists who provide the broader perspective and exert the necessary leadership essential to effective services integration;
- a weak constituency for services integration in comparison to constituencies that rally around specific target groups;

- funding limitations; and

- insufficient knowledge about the types of linkages that are more cost-effective and result in achievement of positive outcomes for those served by the system.

In Missouri, we are taking steps to crack these barriers to integration. I chair Governor John Ashcroft's special cabinet council to restructure services for children and families. As we speak, state agency staff, family advocates, service providers, and parents are designing a new service system that will:

- unify fragmented services within a single administrative state agency;

- empower frontline family workers and the people they serve;

- flatten the complex agency hierarchy;

- remove from children those categorical labels that limit our ability to help them; and

- involve the community in decisions about service delivery.

These principles make sense to the people in Missouri. Building a constituency around these goals is simple. We have stilled the political debate over whether service integration is a good idea; the only question remaining is how it should be done.

Mr. Chairman and members of the Committee, whatever you can do to promote flexible and integrated responses to problems will do a great service to the nation's children and families. As always, we look forward to working with you toward this goal.

State of Alabama

ASSETS

Avenues to Self-Sufficiency Through Employment and Training Services

INTRODUCTION

The state of Alabama has a vision of welfare reform which has resulted in the design of a new program without all the baggage of the past. ASSETS, Avenues to Self-Sufficiency Through Employment and Training Services, Alabama's welfare reform demonstration project, was born of the conviction that current assistance programs are too complex and inefficient and that far too little emphasis is placed on the achievement of self-sufficiency. The project was the outgrowth of recommendations made by the Governor's Welfare Reform Commission in April 1988. It is a comprehensive four year project which combines the Food Stamp, AFDC, and LIHEAP programs into one cash benefit based on one set of rules, where possible. The consolidation applies to both eligibility determination and employment and training services; it is a far reaching conformity demonstration which began on July 1, 1990 and which has become reality in three counties. A comprehensive evaluation will be completed by Abt Associates, Inc. The waivers which permit the operation of this demonstration were submitted through the Low Income Opportunity Advisory Board. USDA-FNS serves as the lead agency in coordinating the waiver approval process with DHHS. All Federal entities have been supportive of the state's efforts in this significant endeavor.

PROJECT DESCRIPTION

There are four major features of ASSETS which require explanation. Two of these features, conformity of eligibility and employment and training policies, are central to the demonstration project and require detailed examples; specific information is provided below. The remaining features include the use of a single case manager and strengthening the Child Support Enforcement program.

1. Simplification of the Food Stamp and AFDC programs was accomplished by consolidation of eligibility determination policies into one set of rules where possible. LIHEAP eligibility is based on eligibility for Food Stamps. Examples of these consolidated rules include:

   a. Cooperation in establishing paternity, locating absent parents, and establishing child support obligations is required for Food Stamp recipients to the same extent as for AFDC recipients. In conjunction with this requirement, the provision for disregarding the first $50 of child support collections applies for both programs. This latter provision has encouraged cooperation of AFDC recipients with the Child Support requirements in Alabama and a similar effect is expected with the Food Stamp caseload. Exemptions due to good cause and hearings are also provided.

b. Income is counted the same way for both programs. Examples include educational benefits and HUD utility allowances which were being counted in one and disregarded in the other.

c. Resources are evaluated in the same manner for both programs. The state has attempted to simplify the resource determination process by counting only liquid assets and real property solely owned by the household. These items are considered to be readily available to meet the immediate needs of the household The current policy in both programs requires some very time-consuming efforts to determine the value of resources which are not likely to affect eligibility for benefits. For example, determining the value of a life-estate can take a lot of time and have no impact on eligibility. The policy regarding vehicles was simplified to provide for disregarding one car per licensed driver; both programs have unwieldy and different policies regarding determining values to be counted. The state also adopted the Food Stamp resource limit for AFDC.

d. Earned income deductions are computed using Food Stamp rules, i.e., a flat 20% is deducted for work-related expenses; the $30 and 1/3 disregards do not apply. The deduction for expenses of self-employment was standardized to 40% based on a survey of the actual deductions in the statewide Food Stamp caseload at the time the waiver was being developed. The child care deduction was also standardized to $120 per month per household based on actual statewide data; this standard will be updated periodically based on child care costs actually paid by recipients in the state.

e. Monthly reporting was eliminated in favor of a positive reporting of changes. This is coupled with a pure retrospective budgeting methodology. Recipients are reminded of the need to report changes on every benefit check; this reminder is placed in the space provided for endorsement. The check stub provides summary information on income and household composition which was used to determine the amount of the benefits; this information is intended to assist the client in knowing what information should be reported.

f. The requirement for expedited services has been simplified and applied to both AFDC and Food Stamps. The 30-day processing standard will also apply to both.

g. Computation of erroneous payments has been standardized between programs, and the same time frames apply in establishing the erroneous payment. Recoupment from current benefits to repay overpayments has been standardized.

h. Benefit levels have been standardized based on income increments. A $50 income increment is used in the Food Stamp determination; the standard deduction is built into the benefit chart. A $25 income increment is used in the AFDC computation. Because of the low benefit levels of the state's AFDC program; the higher increments for the AFDC would have affected payments too negatively.

i. Standard deductions for utility costs and medical expenses were adopted for the Food Stamp computation. These were based on averages of current costs using available data. All clients incurring utility expenses receive the SUA (standard utility allowance). All elderly and disabled receive a standard $15 per month medical deduction although actual medical expenses may be claimed if non-reimbursed expenses are greater than $50 per month. These two provisions are expected to ease the client's burden related to verifying these expenses and the administrative burden of tracking them.

j. Two AFDC provisions, deprivation and relationship requirements, have been discontinued for the test. Under current rules for both medicaid and food stamps, neither relationship nor "unemployment" is an eligibility factor. The same family who may not meet these requirements for income maintenance is eligible for assistance in meeting their food needs and may be eligible for medicaid for young children and/or for pregnant women. The requirements for AFDC-UP are extremely complicated and error prone. Proving the relationship beyond the immediate family tends to be error prone and fails to recognize the intergenerational family structure within which many children of single parents are being raised.

k. Sanction policies have been standardized both within and across program lines. Sanctions now apply to the individual (rather than the entire assistance unit) who does not comply with an eligibility requirement or who takes an action which results in a penalty, e.g., transfer of resources to attain eligibility or quitting a job without good cause.

2. A comprehensive work and training program is provided for recipients of ASSETS. The goal of this program is to move recipients to economic independence as quickly as possible. The program builds on providing employment and training opportunities and supporting services, developing an individualized economic independence plan (known as a career plan) with each recipient, and requiring recipient cooperation in fulfilling the plan. The major features of Work and Training Services (WATS) are:

   a. A wide range of education, training and employment options will be available to assist the participant in reaching his career goals and achieving independence. Examples include GED programs, job preparation training, job search or direct job referrals, community work experience, and development of self-employment. As in the JOBS program, persons under 20 will be required to complete high school, toward a GED, or participate in remedial education or another appropriate non-educational component.

b. Supportive services will consist of child care, transportation, counseling, work acquisition expenses, and medical coverage.

c. All mandatory participants are required to develop a career plan which is signed by both the participant and the case manager. This plan details the actions to be taken by both the client and the agency in support of achievement of self-sufficiency.

d. The same exemption criteria apply to Food Stamps and AFDC and were adopted from recent JOBS regulations. The most significant deviation for the Food Stamp program is that participation is required for parents of children between three and six in an effort to shorten the time period in which a parent is out of the job market.

e. Sanction policy for both programs is the same as JOBS. This addresses a common complaint that there are no teeth in the current Food Stamp policy because assistance can be reinstated upon compliance with a required action; failure to comply would have resulted in a loss of benefits. If the compliance occurs before the benefit reduction is effective, it is cancelled and no penalty is applied.

f. Local task forces will be established to solicit local support of the WATS. The county departments will work with representatives from business, social services, and educational agencies, employment agencies, other community groups and city/county governments to develop goals and to provide opportunities and services.

3. A single case manager will be used to determine eligibility for all programs and to provide work and training services. This administrative structure emphasizes the ideal of an integrated program of assistance and service. The advantages of a single worker include a consistent contact for the client with the agency, increased knowledge of the family concentrated in the single worker, and more efficient access to needed services and benefits.

4. The Child Support Enforcement program will be significantly impacted by the requirement for Food Stamps recipients to cooperate with the Child Support activities. The state administration strongly believes that Food Stamp recipient children need help in obtaining support from their absent parents. It is somewhat puzzling that assistance in this area is required for other programs, specifically AFDC and Medicaid, but not for Food Stamps. This requirement recognizes the prevailing social attitude that the responsibility for feeding, clothing and other support of a child rests primarily with the child's parents. Absent parents should support their children as a priority. Government should supplement, if needed, but not carry the parent's responsibility.

RATIONALE

The complexity of the administration of AFDC, Medicaid, LIHEAP and Food Stamps is the most glaring example of problems besetting the current welfare system. These problems of complexity and duplication were well documented in Up From Dependency; this report of the Low Income Opportunity Working Group of the Domestic Policy Council provided a most comprehensive indictment of the administrative nightmare of the present welfare system. Alabama decided to undertake this extensive welfare reform project as an attempt to address these problems by reaching more poor families with child support services and employment and training services thereby strengthening families and fostering financial self-sufficiency. The goals remain:

1. To provide clients more efficient and understandable access to benefits and services. A family that needs assistance in meeting food needs, with paying utility bills and with securing medical care for pregnancy or a sick child must often talk to a minimum of three workers in as many as two agencies; the same basic information must be given in order to have eligibility determined and receive benefits. Many states use generic workers to handle multiple programs. The requirements that must be explained to and understood by the client are different - sometimes quite different; this contributes to confusion on the part of the client and results in erroneous payments simply because responsibilities and program differences were poorly understood. A single consolidated program offers the greatest hope of providing the types of assistance required to meet the multiple needs of poor families in a way which is understandable and compassionate.

2. To reduce program complexity, particularly for line workers who must currently handle multiple programs without conforming policies or procedures. Line workers administering many programs are expected to know all the rules for each program, to handle enormous workloads and to make few, if any, errors. The amount of information to be learned and retained is staggering. The line worker must also try to explain this information to clients in such a way that the client is able to comprehend it and is able to know what to report and when. In many states, the line worker must not only know the different policies, but must also know more than one computer system which must be used to get the benefits authorized.

3. To reduce administration costs by eliminating duplicative processes and the cost associated with food coupons. The single interview for multiple programs saves at least the time currently being spent in multiple interviews. This could be as much as two hours per application (assuming one hour per application interview and three application interviews). Paying cash instead of coupons eliminates the cost of producing food coupons (which are only used once), transporting, storing, protecting, insuring, issuing them, and monitoring their use at retailers, and finally destroying them.

PRELIMINARY RESULTS

A comprehensive evaluation is being conducted by Abt Associates, Inc. of Cambridge, Massachusetts. The final evaluation plan is being developed and data collection will begin this summer. The final report will be presented in the fall of 1994. Very little preliminary information is available. Experience so far indicates:

1. There are more people needing benefits and services and who are currently eligible but who have not previously applied than we anticipated. When a single case manager administers several programs, access to benefits is greatly enhanced; caseloads increase in every program. States using generic workers or procedures which incorporate a one-stop shopping concept have already observed this phenomenon. Clients who come in for only one purpose leave having applied for a package of benefits and services tailored to their needs. It is too early for the impact of the child support and employment and training provisions to affect caseload growth.

2. Approximately forty per cent of the households in the Food Stamp caseload contain a child with an absent parent who does not pay child support. The potential benefits of child support enforcement reach beyond the economic impact to the positive social implications of strengthening parental ties for children.

3. Automated systems generally take longer to develop and test than anticipated. This does not really relate to the primary demonstration issues, but it does affect planning and implementation.

IMPLICATIONS FOR NATIONAL POLICY

There are many opportunities for improvements in program administration and in access to benefits and services. Among the most critical needs are:

1. The development of simplified and conforming policies for AFDC, Medicaid, and Food Stamps has great national significance. The complexity and duplication drains limited state resources and requires extremely complicated automated systems or separate systems to support multiple programs. Each program is very complex; this complexity is compounded geometrically when multiple programs must be administered. Merged program rules for determining eligibility save agency time that can be devoted to more productive effort and saves client time and transportation costs. For working recipients, time spent in duplicative interviews and verification procedures results in decreased productivity.

2. Parallel to conformity in the area of eligibility determination, conformity in the employment and training programs is needed. A small step was taken in that direction with the provision for pilot projects to demonstrate improved consistency and coordination between FS E&T and JOBS. The regulations have not yet been issued so we can not be certain of how closely the programs will be operated in the areas of sanctions, performance standards, etc.

3. Alternatives to the methodology for delivery of food benefits through food coupons should be examined. Cash payments are perhaps the least expensive method for distributing benefits; however, the advisability of issuing cash rather than coupons remains to be seen. The use of electronic benefit transfer systems may be promising but also needs further study. Although issuance of cash is very controversial, we do not believe more hunger will result. We believe the evaluation of the cashout demonstration will support earlier cashout efforts in Puerto Rico and sites for SSI/elderly recipients and that the nutritional levels of recipients will not be adversely impacted by the receipt of a check instead of coupons.

4. The child support cooperation requirement should be adopted for all Food Stamp recipients as soon as possible. This provision encourages parents to support and feed their children rather than leaving this responsibility to the government. It tends to strengthen family ties for children; parents who support their children are more likely to be involved with them. The provision could also save a substantial amount of tax dollars currently being paid out in benefits.

5. Medicaid coverage groups should be simplified and some degree of conformity attained within the program itself. Currently there are a number of groups which overlap, but have different benefits available depending upon which group a person is certified under. For example, pregnant women may be eligible under the poverty category, if the income is less than 133% of the Federal poverty guidelines; and under the AFDC related category, if income and resources are less than AFDC limits. Resources are not considered under the poverty group and Medicaid coverage is limited to pregnancy related services. Full medicaid coverage, including EPSDT (Early Periodic Screening Detection and Treatment) for recipients under 21, is provided to persons certified under AFDC-related group. These two coverage groups should be collapsed into one with one set of services provided. Another example of needless complexity within Medicaid is the difference between the mandatory coverage of poverty young children and AFDC related young children. One group is eligible through age six, the other through age seven. Both categories provide the option to cover older children but many states must limit their coverage to only those that are required by the law. Further, the July 1991 expansion complicates the coverage of children by mandating coverage up to age 19 for children born on or after October 1, 1983 if their income is less than or equal to 100% of the Federal poverty guidelines. This subsumes one coverage group, the AFDC-related group, but creates another one that does not match the group with eligibility up to 133% of the poverty guidelines.

6. Strong consideration should be given to providing categorical eligibility for Medicaid to pregnant women and young children who receive Food Stamps. The current gross income test for Food Stamps is 130% of the poverty guidelines; the current net income test for Medicaid is 133% of poverty guidelines. This would not extend eligibility to anyone who is not currently eligible for Medicaid - these people are eligible now. Categorical eligibility would save valuable administrative time in providing these benefits and could substantially reduce the need for staff to handle the ever increasing

caseload in the poverty related medicaid coverage groups. In addition, providing for both the medical and nutritional needs of these persons is a mutually supportive effort with benefits to be gained in the health and well-being of infants and children at risk.

The Family Support Act is a positive, perhaps revolutionary, step in welfare reform. The Food Stamp reauthorization bill also provides some movement in the right direction. However, neither addresses the issues of conformity and program complexity, client access and administrative cost. Alabama's ASSETS program comes close to meeting these goals related to program improvement. Our hope is that the next wave of reform will attack these issues. We must develop a welfare system that provides adequate and comprehensive financial benefits in support of the poor, but which provides the means to allow the employable to move quickly into job markets and the means to support the health and growth of our children. We must move beyond, far beyond, the compartmentalized and piecemeal treatment of social problems and social programs. Income maintenance, nutrition assistance, child support, and employment and training service programs cannot continue to treat the underlying social problems as separable issues. We must cut across the boundaries that now exist and dare to envision a better way. Much is at stake. The risks are great, so are the opportunities. Radical action is required. To do otherwise perpetuates needless administration at high cost to the taxpayers and the constituency which the programs purport to serve.

For additional information, contact Andrew P. Hornsby, Jr., Commissioner, Alabama Department of Human Resources, 50 Ripley Street, Montgomery, Alabama 36130, telephone number: (205)242-1160.

State of Alabama
Department of Human Resources
S. Gordon Persons Building
50 Ripley Street
Montgomery, Alabama 36130

Guy Hunt
Governor

Andrew P. Hornsby, Jr.
Commissioner

The Honorable Tony P. Hall
United States House of Representatives
Room H2-505, Ford House Office Building
Washington, DC 20515-6408

Dear Mr. Hall:

Thank you for the opportunity to provide testimony before the Select Committee on Hunger. We believe our welfare reform project is the wave of the future.

Responses to the supplemental questions are attached. Please contact me if you want more information.

Sincerely,

Andrew P. Hornsby, Jr.
Commissioner
Alabama Department of Human Resources

1. How are food stamp clients reacting to the requirement to cooperate with child support enforcement activities?

Response: An evaluation is being conducted by an independent contractor, Abt Associates, Inc. of Cambridge, Mass. Preliminary information based on a survey of a limited number of quality control sample cases indicates that there are significant numbers of households with children with an absent parent. One estimate is 66% of food stamp non-assistance households; 40% of the food stamp non-assistance households contain a child which is not receiving child support payments. Actual data is not yet available; however, county staff are providing generally positive reports. The child support requirements does not seem to be discouraging participation in the food stamp program. In fact, one county reports that the requirements may be encouraging participation in the AFDC program since the activities are now required by both programs. A few households have declined to apply for food stamp benefits, but this an exception to the usual response.

2. You mentioned obstacles to participation in your remarks, what do you see in current programs that prevents or reduces participation?

Response: There are a number of obstacles to participation which need attention. Policies are complicated for both clients and workers to understand. Many times the requirements seem to be for the purpose of rewarding those who have the stamina to find their way through the maze of rules and regulations to the benefit at the end. Examples of these policies are monthly reporting, complicated rules for determining the value of resources or income to be counted, income deductions or exclusions. Itemized medical deductions are a particular nightmare for workers and clients alike. In addition to policies which defy reason, states are pushed into convoluted administrative strategies in an attempt to get the job done. One example is using specialized staff for programs as Alabama does. When taken to the extreme, this is a very inefficient way to administer programs which are directed are virtually the same population. Consider the impact on administrative costs if a client must talk to one worker for food stamps, another for AFDC, and yet another for medicaid for family members who do not receive AFDC. The same information is being gathered three times. Yet, states must adopt these kinds of strategies because the program rules are so different that one person cannot know all that is needed to determine eligibility without making mistakes. And, if you make enough mistakes, federal funding is lost which may result in less staff to handle the rising caseloads and increasingly complex policy. "One-stop shopping" may be a partial answer to these problems. However, if this means co-location of specialized staff, duplicate administrative costs are not eliminated. On the other hand, if this means one worker for all programs, the worker suffers from information overload because of the program differences.

3. The issue of cash instead of coupons is very controversial. Can you give any information on the impact of this proposal on recipients, especially the elderly and children, and also the impact on nutrition levels?

Response: The evaluation being conducted by Abt Associates, Inc. will include an assessment of the impact of cash benefits on nutritional levels. Data collection in this area is scheduled to begin in September 1991; the final report is due in the fall of 1994. However, Alabama recently concluded a test of cashing out food stamps benefits in twelve counties. This demonstration was part of a study being conducted by USDA-FNS in several sites. The final report on the Alabama project is due in the late fall of 1991. Our impressions are that nutritional levels were not affected by cash. We did not see an increased use of emergency food resources or any other indicators that lead us to believe that benefits were being misused. In ASSETS counties, there were some early computer problems that resulted in a temporary increase in the use of emergency food referrals, but the current trend appears to be a decrease in these requests.

In the mid-1980's, food stamps were cashed out in Puerto Rico. A comprehensive evaluation was completed by Mathematica, Inc. The findings showed that nutritional levels did not suffer as a result of paying benefits in cash. We are confident that the Alabama findings will be similar.

Early reports from county staff indicate that more elderly citizens are participating in the program. This effect is believed to be related to the discontinuance of the use of coupons and the mail issuance. This allows clients to shop without the stigma of the coupons and it solves the transportation problems related to picking up coupons at the local food stamp issuance office. Mail issuance is allowed for food stamp coupons, but this is more costly due the bulk of coupons and there have been significant losses in some areas.

4. What is the cost differential in administering food stamps as opposed to giving cash assistance to recipients?

Response: Issuance of food coupons costs the Federal government approximately \$.35 per household per month. In Alabama that translates to \$760,200 for 181,000 households. This covers only the printing and destruction of the coupons. Other costs of coupons include transporting, storing, issuing, and monitoring the use of coupons. One study related to electronic benefit transfer (EBT) found the cost per month of issuing coupons to be \$3.00; another study (also related to EBT) found the cost of issuing AFDC benefits by check to be \$1.31 per month. No data is available for the ASSETS demonstration; this will be part of the final evaluation.

5. In your testimony you mentioned relating Medicaid to Food Stamps. What is your estimated cost for doing this?

No estimates of costs are currently available. However, the current income limit for medicaid coverage for pregnant women and young children is 133% of the Federal poverty guidelines; food stamp eligibility limits is 130% of the same poverty guidelines. If pregnant women and young children receiving food stamps were given categorical eligibility for these medicaid categories, the program would be serving clients who are already eligible but who may not have made a separate application for those benefits. This would have an immediate impact of reducing the cost of determining eligibility since one application interview would be eliminated. The cost of the increased benefits would be offset by the cost of failure to provide adequate medical care to pregnant women and young children; the costs of providing long term care for children born with birth defects or general health problems can be staggering, particularly when many of these debilitating conditions could be prevented by proper prenatal care.

The problem of infant mortality in this country is shocking for such a prosperous country as this. Certainly , the infant mortality rate is beyond the acceptable limit in Alabama; we have had one of the highest rates in the nation. We have attempted to reduce this problem by increasing the access to medicaid by making it easier for clients to apply, for example, mail out application processes, outbasing staff in hospitals and health department clinics, etc. This is a very costly way of handling a problem which could be handled easily by an automated exchange of data from the eligibility determination completed by the food stamp worker.

Other general medicaid concerns relate to the complications within the medicaid program itself. For example, the poverty related coverage groups are eligible at 133% of the poverty guidelines, there is no resource test and services may be limited to those which are pregnancy related. On the other hand, the AFDC related coverage groups are eligible if AFDC income and resource standards are met, full services are available. The eligibility determination for the poverty group is less cumbersome and should be used for all pregnant women and young children and all services should be provided. In the young children categories, one group end at age six (poverty) and another one goes to age seven (AFDC related). In July, a new group subsumes the AFDC related young children at 100% of poverty guidelines and goes to age 19; however, some children will still be eligible up to age six with income between 100% and 133% of the poverty guidelines. These kinds of complexity serve to make programs difficult for clients and staff to understand and for states to administer.

STATE
CONFORMITY
INITIATIVES

Prepared by the Food and Nutrition Service April 23, 1991

Alabama

Of the 67 county offices, 43 have facilities which co-locate the Food Stamp, Aid to Families with Dependent Children (AFDC), and other social service programs. Three of the 43 counties are housed with other social service agencies. In July 1990, Alabama began implementation of a 3-county welfare reform demonstration project that merges the Food Stamp Program, the Aid to Families with Dependent Children Program, and the Low Income Home Energy Assistance Program into a single cash assistance program for low-income households. All eligibility requirements have been merged into a single set of definitions and standards for all three programs in order to simplify eligibility determination, standardize benefits, intensify employment and training activity, and enhance child support enforcement activity. Food stamp benefits are included in the cash benefit. The project will operate for 4 years. In addition, Food and Nutrition Service staff are participating with the Social Security Administration in providing outreach on SSI eligibility in Alabama.

Alaska

Individuals may apply for food stamps, AFDC, Medicaid, and four State-funded general assistance programs at one time in any of Alaska's local offices. Food stamp application forms may also be submitted at Social Security offices. Of the four State programs (Adult Public Assistance, General Relief Assistance, General Relief Medical Assistance, and Energy Assistance) only the Energy Assistance program requires an application separate from the integrated form covering the other programs. Both forms are made available together. Routine contacts are maintained with community services organizations to enable referrals to food banks, homeless and other shelters, clinics, churches, and other charitable institutions.

Arizona

Individuals may apply for food stamps, AFDC, Medicaid (called AHCCCS in Arizona), and State-funded general assistance and emergency assistance programs simultaneously at any of the local offices Statewide. In two of the offices Job Services are able to provide Employment and Training services in the same building. In some remote areas, itinerant runs are made on a regular schedule. In these cases workers drive out to remote areas at an appointed time and take applications for all of the assistance programs. Contacts with community services organizations are maintained to enable local offices to make referrals to food banks, homeless shelters, mass feeding sites, medical clinics, substance abuse clinics, spouse and child abuse shelters, and local church and charitable organizations.

Arkansas

Persons may apply for food stamps, AFDC and Medicaid at the local certification office using one application form. Other assistance that people can apply for at the local certification office includes: assistance through Children and Family Services, Rehabilitation Services, Alcohol and Drug Assistance (counseling and referral), Developmental Disabilities (special equipment), Care Services, Children's Medical Services for severely disabled, Mental Health Services (in most offices, but not all) and Referral System.

California

An integrated application for food stamps, AFDC, and MEDICAL has been developed and is being implemented throughout the State as counties are automated under the Statewide Automated Welfare System. The availability of co-located services for individuals varies across the 58 counties, and in some instances within counties, each of which operates in a different environment. Generally, the smaller counties have food stamps, AFDC, MEDICAL, and State- and County-funded general assistance programs available in the same building. In the larger counties, such as Los Angeles and San Diego, the typical pattern is to have various programs available in separate offices in close proximity, (usually in the same block). An exception to this pattern is San Bernardino County, where all programs are available at all offices but one, which offers only MEDICAL. Contacts are maintained with community services organizations to enable referrals for specific needs.

Colorado

Of the 75 local offices, 63 provide "one-stop" shopping in the form of applications and referrals to other assistance programs, although Colorado does not have a multi-program application form. A limited number of food stamp applications are taken for SSI applicants at Social Security offices and forwarded to the local food stamp offices for processing. Local food stamp offices in the city of Denver are coordinating with other local social services agencies to serve the homeless. Program informational materials are shared with staff in the Health Department (WIC), Legal Services, the Department of Education (school lunch) and agencies such as Planned Parenthood and Teen Pregnancy Programs.

Connecticut

Persons may apply for food stamps, AFDC, fuel assistance, medical assistance and other State programs (including Convalescence Nursing Home, State Supplement, Dependent Student and Refugee Assistance) using a single application. Each eligibility office has a co-located Jobs Connection office, covering Aid to Families with Dependent Children jobs search and Food Stamps Employment and Training, along with State Department of Labor job search training.

Delaware

Several programs are co-located at State service centers (i.e. "one stop shopping") such as: Aid to Families with Dependent Children (AFDC) and other public assistance, food stamps, medical assistance, WIC, employment and training, and a number of social services, e.g. mental health and drug rehab referrals. Delaware has five one stop offices -- two in New Castle, one in Dover and two in Sussex. Persons can apply for public assistance, food stamps and medical assistance on one application form. The State has a policy in which workers are indoctrinated on referral types of activities during case management training.

District of Columbia

The District has a combined application form for food stamps, public assistance and medical assistance. Some offices offer various social services. Caseworkers routinely refer clients to other government or private agencies, such as protective services, rehabilitation, etc.

Florida

A limited number of applications are handled throughout the State through SSI joint processing procedures. County workers make referrals to other agencies such as public health, food banks, etc. The State is implementing a new automated system which will, based on information provided by the client, determine any welfare, health, WIC or Child Support Recovery program for which the client potentially would be eligible.

Georgia

County workers routinely make referrals to other agencies based on the client's need.

Guam

Individuals in Guam may apply for food stamps, AFDC, and the Federal Medicaid Program at one time in any of the three offices. The State-funded medical assistance program, Medically Indigent Benefits, designed to accommodate persons not categorically eligible for Medicaid, requires a separate application. Guam is working to integrate the application for this program into the combined application for the other programs. Referrals are made to community services, church and charitable organizations based on specific needs.

Hawaii

Individuals in Hawaii may apply for food stamps, AFDC, Medicaid, and the State's general assistance program simultaneously in any office Statewide using a single application form.

Idaho

Individuals in Idaho may apply for food stamps, AFDC, Medicaid, and State general assistance simultaneously in any local office Statewide using a single application form. In some remote areas of the State workers drive out at an appointed time and accept applications for all programs. Contacts are maintained with local community services organizations, and referrals are made based on client's needs.

Illinois

The State uses a single application for food stamps, AFDC, and Medicaid in all 100 local Department of Public Aid offices. About 125 food stamp applications are taken each month in Social Security offices from SSI applicants. The State agency also funds and operates the general assistance program in Chicago. The State has developed and maintains an extensive referral network to WIC, legal services, the Salvation Army, food pantries, and to the locally funded general assistance program in downstate locations. The State has also implemented an FNS-funded outreach program.

Indiana

The State uses a single application for food stamps, AFDC, and Medicaid in all 92 counties. Each of the 1008 townships operates its own local Township Trustee Assistance, a type of general assistance. Eligibility standards and benefit levels vary across the State, and applications must be made in the individual townships. The State agency is involved in a network of social service support agencies and makes referrals to support services, including food pantries, on an as needed basis.

Iowa

Persons may apply for Food Stamps, Medicaid, Refugee Cash Assistance, AFDC, as well as programs administered by the Department of Public Health (such as Prenatal Care, Obstetric Indigent and Well Baby Care) on a single form. A limited number of food stamp applications are taken for SSI applicants at Social Security offices and forwarded to local food stamp offices for processing. The State agency coordinates with the State Departments of Education and Health to periodically inform food stamp recipients about the availability of the WIC and school lunch programs. "Stuffers" are mailed with the coupon allotments to provide nutrition information, and nutrition training is coordinated with the Expanded Food and Nutrition Education Project. The State agency also coordinates with Financial Aid Offices in colleges and universities to inform students of the availability and eligibility criteria for the Food Stamp Program.

Kansas

Persons may apply for food stamps, cash assistance, and Medicaid on a single form. A limited number of food stamp applications are taken for food stamp recipients at Social Security offices and forwarded to the local food stamp offices for processing. All local Social and Rehabilitative Services offices coordinate with the local Departments of Health to disseminate WIC and Food Stamp Program information materials. A Statewide toll free number is maintained for farmers, called FACT, to inform/refer farm families to assistance programs. Local offices have reciprocal referral agreements with area food banks and community action agencies.

Kentucky

Of the 120 county offices in Kentucky, 82 have facilities which house Food Stamps, AFDC, and social service programs. Additionally, some county offices are co-located with the Employment Services.

Louisiana

Persons may apply for food stamps, AFDC and Medicaid at the local certification office on one application.

Maine

Persons may apply for food stamps and AFDC using the same application. Food stamp Employment and Training services are co-located with the AFDC Job Opportunities for Basic Skills program.

Maryland

Persons can apply for Aid to Families with Dependent Children, food stamps, and medical assistance using one application form. Persons can also apply for general assistance, various social services (such as day care or counseling), and energy assistance (some offices) at the local certification office. The State agency has designated coordinators for SSA. All local agencies have liaisons at SSA to contact for problems.

Massachusetts

Persons can apply for food stamps and AFDC using the same application. Local welfare offices have excellent working relationships with the local Social Security Administration (SSA) office concerning SSI joint processing. Food Stamp eligibility notices to SSI recipients include a reminder that their food stamp applications can be taken at the local SSA office. In addition, local eligibility offices are co-located with the Massachusetts Department of Employment and Training offices.

Michigan

The State uses a multi-purpose application for food stamps, AFDC and Medicaid, and applicants can file for all covered programs in one location in each of the 93 counties. Cases are handled be "generic" workers, and a concerted effort has been made to consolidate program manuals to improve worker understanding and efficiency. Though there is no formal statewide referral system, a substantial informal network exists which ties in a wide variety of social service agencies, such as the Salvation Army, food pantries, and legal aid offices. WIC posters are displayed in local offices and those interested can be assisted in seeking additional information.

Minnesota

The State agency uses a multi-purpose application which can be filed at any local office for food stamps, AFDC, and Medicaid. The State agency publicizes the availability of WIC with posters and will make referrals if requested. Referrals are also made to food pantries. In addition, the State agency posts information on educational services and the availability of legal services and has implemented an FNS-funded outreach program.

Mississippi

At their request, clients are referred to other agencies.

Missouri

Persons may apply for food stamps, AFDC, general relief, Blind Pension, medical assistance, Supplemental Nursing Care, Supplemental Aid to the Blind, AFDC Foster Care, Refugee Assistance, New Born and Unborn Child programs, and Qualified Medical Beneficiary programs on a single form. A limited number of food stamp applications are taken for SSI applicants at Social Security offices and forwarded to the local food stamp offices for processing. Local offices disseminate program information materials to advocacy groups for the homeless, programs for the aging, and the working poor. They also get referrals from the Department of Health.

Montana

Persons may apply for food stamps, AFDC, Medicaid, general assistance, Qualified Medical Beneficiary Assistance, and General Relief Assistance on a single form in all 45 local offices. Indians on the Blackfeet Reservation may apply for all Indian Assistance programs at the coupon issuance office. A limited number of food stamp applications are taken for SSI applicants at Social Security offices and forwarded to local food stamp offices for processing. The State agency has a contract with the Governor's Office on Aging to perform outreach activities. In additions, there is an INR (Information and Referral) staff person in each county in the State, usually working out of an Office on Aging, who is actively involved in such activities as distributing FNS brochures on the Food Stamp Program, assisting persons complete the application form, and developing informational materials and TV and radio spots on services available to the aged, including the Food Stamp Program. Staff from several State agencies serve on the Hunger Coalition committee to help coordinate information on food, food banks, the FSP and other programs through a State Nutritionist.

Nebraska

Persons may apply for food stamps, AFDC, general assistance, Medicaid, Aid for the Aged, Blind or Disabled, Energy Assistance, and Family Planning Services on a single form. A limited number of food stamp applications are taken for SSI applicants at Social Security offices and forwarded to the local food stamp offices for processing. One staff member in each district is assigned to work with community action organizations to develop referral systems. All food stamp applicants receive an information packet on assistance programs such as WIC, adult services, homemaker and extension services, medical programs, and family planning among others. Commodity distribution points distribute program informational materials for WIC, food stamps, AFDC, medical programs, and programs for the aging.

Nevada

Individuals in Nevada may apply simultaneously for food stamps, AFDC, Medicaid, and State-funded general assistance in all local offices Statewide but one. One of the offices in Las Vegas only accepts applications for food stamps. Contacts are maintained with local community services organizations for referrals.

New Hampshire

Persons can apply for food stamps, AFDC, general assistance and medical assistance using a single application. Food Stamp Employment and Training services are co-located with AFDC's Job Opportunities for Basic Skills program. In conjunction with the Cooperative Extension Service and the Expanded Food and Nutrition Education Project (EFNEP) staff at the University of New Hampshire, the State's Department of Health and Human Services recently implemented a food stamp nutrition education project. Plans are being made this year to encourage New Hampshire farmers to become authorized to accept food stamps at local farm stands and markets.

New Jersey

Persons can apply for AFDC, food stamps, medicaid, refugee resettlement and emergency assistance using one application form. There is currently a bill in the State legislature to move municipal general assistance to the counties. If passed, all GA programs would be run by county social services and would be jointly processed with food stamps. In one county general assistance is already co-located with food stamps, AFDC and medical assistance. It has recently become standardized practice to refer disabled persons who look like they may be eligible for SSI to Social Security offices.

New Mexico

Clients may access several State and Federal programs by visiting their local New Mexico Human Services Department Office, including: Aid to Families with Dependent Children (AFDC), Low Income Home Energy Assistance Program (LIHEAP), State-funded general assistance, transitional day care, medical assistance, and a State-funded Supplement for Residential Care. Various county offices have local referral sources for clients who are needy but are not eligible under one or more programs.

New York

Persons may apply for food stamps, AFDC, general assistance, medical assistance, cash assistance and other State programs using a single application. The Food Stamp Employment and Training program is closely integrated with the AFDC Job Opportunities for Basic Skills program. Localities have the flexibility to contract out services to other work programs, such as those funded by the Job Training Partnership Act. New York City's Field Certification Unit operates a mobile outreach unit, coordinating application processing with various community/day care centers. A Homebound Unit, operating out of one Food Stamp Center, assists disabled clients in New York City who do not receive SSI. A variety of processing services are provided to these clients depending on their needs. "After hours" sites are staffed in 4 local New York City Food Stamp Centers for clients who are employed and do not want to take a day off to apply or recertify. Rockland County provides nutrition information to the food stamp population in supermarkets based on the USDA/FNS "Making Food Dollars Count" campaign idea. The New York Alternate Food Stamp Issuance System (AFSI), a network of issuance points located in retail food stores throughout the State, is currently being implemented in all upstate counties. New York's FNS-funded outreach program informs low income households about the availability, eligibility requirements, application procedures, and benefits of the Food Stamp and other food and nutrition-related programs. Progress has been made recently toward procedural improvements for SSI joint processing, with the use of a state-specific food stamp application and the publication of new desk-top procedures.

North Carolina

Food and Nutrition Service staff are participating with the Social Security Administration in providing outreach on SSI eligibility in North Carolina. A limited number of food stamp applications are handled throughout the State through SSI joint processing procedures.

North Dakota

Persons may apply for food stamps, AFDC, Medicaid, general assistance, Foster Care, and fuel assistance on a single form at all 51 local offices. A limited number of food stamp applications for SSI applicants are taken at Social Security offices and forwarded to the local food stamp offices for processing. The State agency coordinates with State Prison System staff to instruct inmates in a pre-release program of the availability of the food stamp program. They hold periodic meetings with homemaker health aides to discuss their respective programs. There is ongoing cross-training of eligibility workers to give them the knowledge necessary to refer applicants to other social service programs, such as adult services and medical programs. Supervisors in large offices are responsible for giving speeches in the community to inform groups such as senior citizens of the availability of the food stamp, AFDC, energy assistance and medical programs.

Ohio

The State uses a single application for food stamps, AFDC, and Medicaid that can be filed at any local office in any of the 88 counties. The State maintains routine contacts with a number of service provider agencies, makes referrals to food panties, and posts notices about WIC and the availability of educational and legal services.

Oklahoma

Individuals may apply for food stamps, AFDC, Medicaid and State Supplemental Payments on one application at the local certification office. Other services at the local certification office include: emergency assistance for families with children (once a year), day care, medical assistance for all ages (i.e. nursing home care). Supplemental Security Income joint application processing is available through the Social Security Administration (SSA) or one of its contact stations. The State agency leaves application forms at homeless shelters in Oklahoma City. Training is provided to volunteers, who in turn help homeless individuals complete the applications. The shelters then forward applications to certification offices.

Oregon

Individuals in Oregon may apply for food stamps, AFDC, Medicaid, and several State-funded assistance programs simultaneously in any local office. The State programs include: employment related day care, general assistance for medical and emergency assistance, State supplemental income programs, refugee assistance, and a repatriation program. Referrals are made to local community services organizations based on client's needs.

Pennsylvania

Persons can apply for food stamps, AFDC, Medicaid, general assistance and State blind pension using one application form. They can also apply for various social services and the Low Income Home Energy Assistance Program at most local certification offices. The types of social services offered are determined by the county commissioners and vary from county to county. Examples include day care, counseling, referrals, case management and other Title XX programs. The State also operates a Disability Advocacy Program for clients receiving general assistance and who have a disability. The Disability Advocacy worker helps them apply for Social Security disability or appeal denials and terminations.

Rhode Island

Persons can apply for food stamps, AFDC and general assistance using a single application. Food Stamp Employment and Training activities are co-located with AFDC's Job Opportunities for Basic Skills program.

South Carolina

A limited number of applications are handled throughout the State through SSI joint processing procedures. Additionally, workers in county offices are required to make referrals to any agency/program (i.e., public health, food bank, employment services, Social Security) for which the client may be in need.

South Dakota

Persons may apply for food stamps, AFDC, Medicaid, and Refugee Cash Assistance on a single form in all 67 local offices. A limited number of food stamp applications for SSI applicants are taken at Social Security offices and forwarded to the local food stamp offices for processing. There is on-going coordination with Adult Services and the Department of Aging to reach eligible households. The State agency coordinates with the Department of Health WIC program and Public Health nurses to inform WIC applicants of the availability of the Food Stamp Program and vice versa. Small counties that do not have social service offices utilize trained staff in the county court houses to refer potential applicants to WIC, food stamps, Adult Services, etc. Local offices in all but Aberdeen, Sioux Falls and Mitchell have co-located services since the areas are so sparsely populated and rural.

Tennessee

A limited number of applications are handled throughout the State through SSI joint processing procedures. County workers make referrals to other agencies such as public health, employment, WIC, Social Security, etc. In the near future county offices will make available to clients an orientation film which will provide information on other social service programs and agencies in the community. The State is in the process of implementing a new automated system which will, based on information provided by the client, determine any welfare program (AFDC, FSP, Medicaid) for which the client potentially would be eligible.

Texas

Individuals may apply for food stamps, AFDC and Medicaid at all local certification offices on one application. Texas has developed an ambitious project for a consumer-oriented intake and welfare reform delivery system. The new service delivery concept accentuates client services by promoting same-day service and one-stop shopping (which minimizes the number of staff with whom the client must interact). This concept has been piloted in 41 offices throughout the state. The Texan Department of Human Services (TDHS) has 209 outstationed workers in 101 disproportionate share hospitals and other facilities throughout the State. Patients at these facilities may apply for food stamps and AFDC at the same time they apply for the Medicaid Program. TDHS has 26 offices that are co-located with other State and local service offices. These include Texas Employment Commission (TEC), county welfare offices (general assistance), and county health offices. A special project at Wheatley High School in Houston has at least one outstationed eligibility worker.

Utah

Persons may apply for food stamps, AFDC, and Medicaid on a single form in all 30 local offices. A limited number of food stamp applications are taken for SSI applicants at Social Security offices and forwarded to the local food stamp offices for processing. The State maintains routine contacts with the USDA Extension Service, the State Department of Health, and the Division of Services to the Handicapped to discuss areas of mutual interest.

Vermont

Persons can apply for food stamps, AFDC, general assistance, fuel assistance, and medical assistance using a single application. In all district offices, the Food Stamp Employment and Training and AFDC's Job Opportunities for Basic Skills services are co-located. The Department of Labor's Job Training Partnership Act and the State's Labor services are also co-located, many with the Federal work program offices. Vermont's FNS-funded outreach program informs low income households, particularly the homeless and elderly, about the availability, eligibility requirements, application procedures, and benefits of the Food Stamp Program and other food and nutrition-related programs. Through a network of five Community Action agencies and the area Agencies on Aging, outreach workers help clients understand the various food assistance resources available to them, provide one-stop outreach, intake, information and referral. The workers have application forms on hand for many programs and will help clients schedule, prepare for, and go through the application process for a wide variety of food and nutrition programs.

Virgin Islands

The Territory has a combined application for AFDC, food stamps, emergency assistance and other public assistance (Old Age, Aid to the Blind and Disabled). Persons can also apply for energy assistance at the local certification offices. The Territory is currently coordinating with the local telephone company and may initiate a new program offering special telephone assistance.

Virginia

Persons can apply for public assistance, food stamps and medical assistance at the local certification office using one application. Local offices also offer a number of other programs, including energy assistance, state and local hospitalization, general assistance, social services (e.g. day care and referrals) and work programs. Local offices also distribute USDA commodities.

Washington

Individuals in Washington may apply for food stamps, AFDC, Medicaid, State-funded general assistance programs, and the Family Independence Program (Washington's welfare reform demonstration project operating in some Community Services Offices), at any local office using an integrated application form. The State has an approved outreach program including a televised public service announcement, toll-free hotline, training of community and service organizations, etc. Routine contacts are maintained with community services organizations for referrals based on client's needs.

West Virginia

Persons can apply for AFDC, food stamps and medical assistance at the local certification office using one application. The State is planning on co-locating Employment Security in a few offices sometime in the near future. Other services may be co-located later, since the Departments of Health and Human Services have merged. Food stamp workers are required by court order to explain all available programs, e.g. workmen's compensation, unemployment, homeless assistance, etc. The State has also designated a formal coordinator with the Social Security Administration.

Wisconsin

The State agency uses a single application for food stamps, AFDC, and Medicaid that can be filed at any county office in the 77 counties and 9 Indian reservations. Applicants for general assistance must complete a separate one page application but may file it in the same locations. The State agency makes routine referrals to WIC, as they determine the need to do so. They also make referrals to food pantries and other supportive services if indicated.

Wyoming

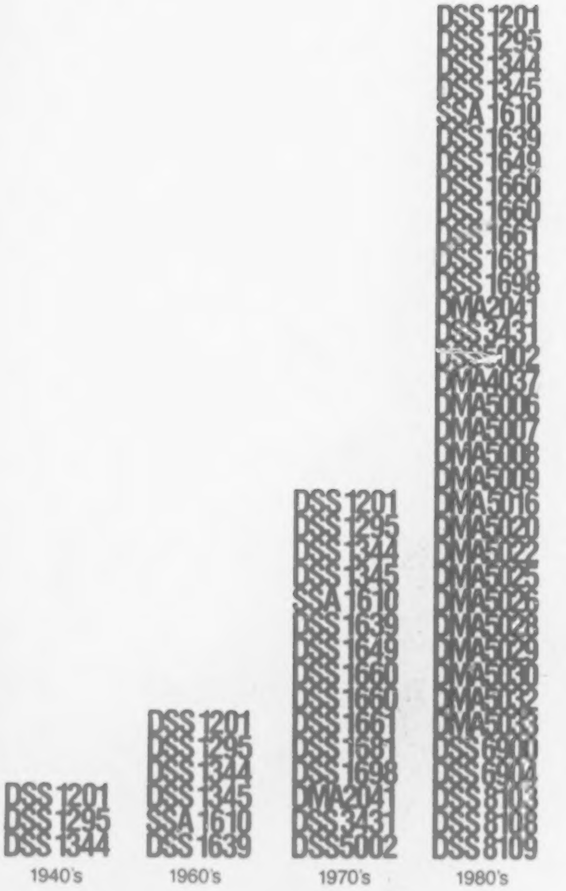
Persons may apply for food stamps, AFDC, Emergency Assistance, Short Term Payments for Needy Families, General Assistance (for aged and disabled), Interim Assistance, Low Income Energy Assistance, Medicaid Title XIX, Minimum Medical Programs, and Nursing Home Care on a single form in all 24 local offices. A limited number of food stamp applications for SSI applicants are taken at the Social Security office and forwarded to the local food stamp offices for processing. The State agency coordinates with two community colleges to provide information to college students. The colleges, in turn, administer part of Wyoming's Employment and Training program where food stamp recipients can get vocational and educational assessments. The State Nutritionist performs outreach activities at senior citizen's centers. Most Social Service offices in Wyoming make and receive referrals from the Salvation Army, Senior Citizen's Centers, public schools, power and light companies, hospital social workers, police departments, the Social Security Administration, public health departments, churches and a statewide community action agency.

People VS PAPER

A reaffirmation of purpose:

people instead of forms,

regulations, and paperwork.



The number of forms required for an AFDC application has risen from three when the program first began to over 35 today.

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The North Carolina Association of County Directors of Social Services (NCACDSS) is a voluntary association composed of directors of social services at the county level in North Carolina. Affiliated with the North Carolina Association of County Commissioners, NCACDSS has constantly worked on significant social issues during its long history. The association is dedicated to maintaining a responsive social services system in North Carolina.

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PEOPLE VS. PAPER REVISITED

February 15, 1990

I. Conceptual Framework

Somehow, somewhere, in the course of a twenty year struggle for welfare reform, reform has gotten lost. Public assistance programs today are less reformed than ever, in the sense of being easy for clients to understand and practical to administer. In North Carolina an AFDC application that contained 14 forms in 1975 contains 59 forms in 1989. Nine forms were used in completing a redetermination of eligibility in 1975. Now thirty-six are used for this purpose. Since 1982, administrative costs for the Food Stamp program have risen 65%, while benefits have dropped 17%. Process has supplanted purpose, and the consequences are devastating at the local level.

First and foremost, the dignity of the individual client has been compromised by a system that presumes dishonesty. "Verification" is the watchword of the day. Caseworkers spend most of their time getting documentation to prove that a client needs what she says she needs. As a result, some eligible clients are discouraged from applying. Simultaneously, program administrative costs have soared. The administrative cost of processing an AFDC case, for example, nearly doubled between 1982 and 1988. Appendix A shows what is now required to process a client's report of wages.

Given the inordinate amount of time that caseworkers spend on verification they have little time to do the kind of social assessment that could help a client move toward greater self-sufficiency. In fact, the complexity of the system is itself a barrier to self-sufficiency since most clients must rely on their caseworkers to walk them step-by-step through the application process.

A second unintended consequence of the emphasis on verification is that the flow of benefits is delayed. Between July 1988 and June 1989, the average monthly number of applications processed in an untimely fashion in North Carolina exceeded 8,000. This is due to the fact that caseworkers were unable to timely process the volume of applications, given their complexity. On average it takes 6-10 hours to process an application now, whereas in 1975 the average time was 2-4 hours to determine eligibility. This is a three-fold increase.

Alexander versus Hill, the lawsuit intended to bring North Carolina counties into compliance with timely processing requirements, has failed to achieve its goal. A greater percentage of cases are out of compliance now than in 1974 when the lawsuit was first filed. Again, an emphasis on process has supplanted a focus on results. The Alexander v. Hill consent decrees require counties to concentrate on a variety of interim processing goals rather than the federally required outcome of providing benefits within 45 days. Counties have become so concerned with dotting the "i"s and crossing the "t"s to comply with Alexander v. Hill, that seeking innovative ways to expedite processing has taken a back seat.

Certain peculiarities of Alexander v. Hill have also resulted in clients ending up worse off financially. For example, in order to avoid the appearance of discouraging an applicant, Wake County takes applications from clients even when the client would be better off to delay applying, given his or her variable income stream. In an average month, Wake County takes approximately 25 AFDC and 27 Medicaid applications that fall into this category. Wake County DSS believes that if these clients could be advised regarding policy, they would understand that it would be to their advantage to wait to apply. To engage in this type of explanation, however, is interpreted as discouraging the applicant, when, in fact, its goal is to assist the applicant.

Third, program complexity is taking a terrible toll on staff. Mecklenburg County has for years been unable to keep its caseworker positions filled because of the stress associated with the job, i.e., constantly changing regulations, the emphasis on avoiding penalties and avoiding errors. In AFDC and Medicaid, turnover has averaged upwards of 30% for years. Since February, 1988, Gaston County has lost 22 AFDC eligibility workers (out of 29 positions) because of the pressures of the job. Since it takes nine months to become fully productive as a caseworker, the turnover cost is staggering. A vicious cycle has been created wherein workload pressures cause staff to resign, resulting in greater workloads for the remaining staff, who then incur greater Alexander v. Hill penalties, so that pressures on them increase, more staff resign, etc.

Fourth, the adequacy of the public assistance payment is no longer a focus of attention. Substantial federal and state resources are devoted to quality control (searching out overpayments) while the maximum AFDC payment for a family of four in North Carolina ($291) often does not cover the rent. Somehow, public assistance programs have become a punitive treadmill for clients and caseworkers alike. The focus on helping those in need has been lost, and we need to get it back.

Sections II and III of this paper discuss the relief that North Carolina counties need from Alexander v. Hill and from federal and state regulations in general in order to properly refocus public assistance programs on lifting people out of poverty and enhancing their opportunities to become self-supporting.

II. Relief from Alexander v. Hill

North Carolina has state supervised and county administered public assistance programs. Thus, when the Legal Services Corporation filed a lawsuit (Alexander v. Hill) seeking to obtain compliance with federal regulations for timely processing of AFDC and Medicaid applications, the State as well as many of its 100 counties, was named as defendant. Since then, the State and Legal Services have negotiated many times in response to Legal Services' motions for relief. Many of the State's 100 counties, which are engaged in the day-to-day taking and processing of applications, believe that the negotiated court orders have not adequately taken into account their front-line perspective. They seek a greater voice in partnership with the State to devise a more effective means of ensuring that applications are processed in a timely fashion.

Moreover, these counties recognize that there was a need in the 1970's to put in place some system that would cause Counties to face up to compliance issues. The current remedies, however, appear worse than the disease. Time and again, additional forms and penalties have been meted out to counties when it is innovation and streamlining that are called for. State resources seem to flow to enforcement but not to better service to clients or to additional staff for processing applications. These differences between the State and the counties must be bridged for the mutual benefit of clients, program staff and taxpayers in general. Counties are looking to the State to play a greater leadership role in seeking further relief from onerous and misguided portions of the Alexander v. Hill court order.

Specifically, relief is sought in these areas in order to refocus on timely issuance of benefits to clients:

1. **Aim for a 5 work day turnaround time** from whenever an applicant has turned in all required information beyond the 40th or 55th day. Thus, if a client turns in all of the information by the 43rd day, the County should have until the 48th day to send the client a notice of decision.

2. Medicaid cases should not be permitted to "pend" more than 90 days, and AFDC cases should not "pend" more than 45 days. If the client is in need of assistance, that assistance should be rendered promptly.

3. When a client comes in too late in the day to complete an application for assistance, the client should be required to come in within the next 10 days to complete the application. The County should make three attempts to contact the client by mail during this time. If the client does not come back within 10 days, the application should be denied.

4. Eliminate deadlines which do not relate to any federal requirements. Impose penalties only when a county has caused an application to pend for a period greater than the federal limits.

5. Translate calendar day requirements to work day requirements so that they are more easily calculated and met.

6. Eliminate the Application Pending Report (#2242) which is burdensome. It takes 8 person days per month to complete in the larger counties.

7. Eliminate penalties on retrospective applications, i.e., where the client has already received medical attention, and it is the provider who is awaiting payment.

8. Eliminate the payment of penalties to the estate of deceased clients.

9. In calculating the "Performance Index" for purposes of Alexander v. Hill monitoring, applications that "pend" because of client failure to provide information should not be included in the calculation.

III. Policy Relief

Some very basic values underlie the policy changes we seek. First and foremost, public assistance programs should aim to meet the needs of indigent citizens who apply.

Second, the programs should provide a level of support that is adequate to sustain a decent quality of life. The national poverty level for a family of three was $9,960 in 1988. In North Carolina a family of three receiving its maximum AFDC and Food Stamp allocation would have received $6,024 or 62% of the poverty level. Funds now spent on certain verification activities would be better spent in increased grants to clients.

Third, better coordination must be made to occur at the state and at the federal levels. The agencies that have been created to supervise and administer public assistance programs need to understand the implications at the local level of their uncoordinated rule making. The current system encourages workers at all levels to wear blinders--to see only those needs that their specific program can address. Services to clients are therefore fragmented, rather than delivered in a holistic fashion.

These changes are required at the state level:

- Low error prone cases should be reviewed only once per year.
- All notices, manuals, overpayment reporting, and computer matches should be automated. Paper matches should be eliminated.
- Delete the requirement that computer matches be made for children under 16 years.
- Standardize rounding procedures across all public assistance programs.

- Standardize state deadlines for keying information across all public assistance programs.

- Simplify the burial exclusion policy for adult medicaid cases.

- Standardize reserve levels among similar programs.

- Standardize the pieces of information and the actions clients are responsible for providing across public assistance programs.

- For AFDC monthly reporting, extend the deadline by which clients must report and eliminate the second notice.

- Issue program materials well in advance of implementation.

These changes are required at the federal level:

- When AFDC cases are terminated for monthly reporting reasons, the procedures for reinstatement should be simplified.

- Reduce the number of sub-programs and categories in Medicaid.

- Support a National Commission to study the consolidation of Food Stamps and AFDC.

- Standardize the use of poverty levels, reserve levels and income disregards across all public assistance programs. Under the present system there are baffling inequities. For example, social security disability (SSDA) recipients must meet a medicaid deductible, but SSI recipients, who are disabled but have never worked, have no deductible to meet.

- Cease counting client caused error when computing error rates.

- Change the rule that makes children ineligible for AFDC after age 18 unless they can graduate by age 19. It is only through education that AFDC recipients can become self-supporting.

- Mandate that no program changes occur without consideration of the impacts on all other assistance programs.

IV. Conclusion

Simplification is a complex task. It calls for huge bureaucracies to come face to face with issues of turf, tradition and clout, and to put those issues aside on behalf of individual clients. Translated into bottom line terms, it means that staff of HCFA, USDA, and OFA must take a coordinated approach to the administration of programs and meeting client needs. It may even mean that the U.S. Congress must mandate that the eligibility requirements be the same for Medicaid, Food Stamps, and AFDC. Moreover, this setting aside of turf will have to occur at the federal, state and local levels if the result is to truly benefit applicants.

In tandem with that, the taxpayers of this nation will need to learn that it is extremely expensive and inefficient to presume dishonesty on the part of all applicants. A zero error rate is simply not cost effective when the price tag is delayed client benefits and continuous increases in program staffing levels.

It has taken decades for the income maintenance programs to reach their current stage of complexity, and the system cannot be simplified overnight. We must begin somewhere, however, and a logical first step is the raising of awareness. We urge you to share this paper with your colleagues and to call us with questions.

APPENDIX A
PROCESSING PROCEDURES - CLIENT WAGES

1. Verify with employer the date employment started, first pay date, number of hours worked, pay per hour.

2. Verify with client and child care provider, if any, how much client pays for dependent care.

3. Send the client an 8113 (wage verification form locking in potential 8110 termination date).

4. Once wages are received, project for the first month to see if the client remains eligible (calculate budget).

5. Project for the next month to see if the client remains eligible (calculate budget).

6. If the client remains eligible, count wages in the "base period", i.e., September for November payment (calculate budget).

7. If the client is ineligible, change case to Medicaid - begin tracking number of months eligible.

8. Notify client of any change, if not a monthly reporting case wait 10 days to terminate, even if it causes an overpayment.

9. If an overpayment is caused by the 10 day notice requirement, recoup the overpayment.

10. Complete documentation.

11. Complete computer documents.

12. Check profile to assure correct amount is in the computer.

The North Carolina Association of Directors of Social Services

The Association is a voluntary group of county social services directors, working together to improve the social welfare system in North Carolina. Presently comprising 99 of the 100 county directors, the Association members meet regularly to discuss social policy, state and federal regulations, and service delivery issues.

The Association was founded in 1952 and has continued to serve the state throughout its 36 year history. Each year the Association adopts and actively supports a legislative agenda. Working both with the General Assembly and the Executive Branch, the Association has pushed for better quality social services for North Carolinians. The Association also pursues policy agendas at the national level, and has on numerous occassions sent members to Washington to testify before Congress.

The Association is a private, non-profit organization and is affiliated with the North Carolina Association of County Commissioners.

U.S. Department of Housing and Urban Development
Washington, D.C. 20410-7000

OFFICE OF ASSISTANT SECRETARY
FOR COMMUNITY PLANNING AND DEVELOPMENT

JUL -2 1991

Honorable Tony P. Hall
Chairman, Select Committee on Hunger
House of Representatives
Washington, D.C. 10515-6408

Dear Mr. Chairman:

Thank you for your letter of May 7, 1991 requesting responses to a number of questions on service integration as a follow up to the testimony on April 23 before the committee. This response draws upon the experience and views of a number of agencies participating most actively in a subgroup on service integration of the Economic Empowerment Task Force.

I hope that this material will be helpful.

Very sincerely yours,

Anna Kondratas
Anna Kondratas
Assistant Secretary

Enclosure

RESPONSE TO QUESTIONS OF HOUSE COMMITTEE ON HUNGER

1. **To what extent can the kind of improved cooperative and cross-program integration you refer to in your testimony occur without any new legislation?**

- There is much we can do to improve cooperation among various Federal agencies and among federally assisted local agencies without legislation. However, legislation is needed for longer term breakthroughs in service integration on a wider scale. Some legislation which has already been proposed to Congress is listed below.

Improved local coordination

- At the local level, colocation of services at one site can occur by local initiative without any changes in legislation. Also, cities and States have the option of improving the coordination of different federal programs through priority funding for certain target areas (such as in State-designated enterprise zones) or groups of individuals. They may also address interrelated problems by improving coordination among different federally funded activities such as job creation and job training and education programs.

Federal actions already taken

- There are a number of administrative steps which have been taken at the Federal level to improve coordination, without new legislation, including:

--A number of interagency agreements have improved coordination among several federal agencies on selected projects and activities. For example, there are agreements between the Departments of Labor and HUD on serving the homeless and between HUD and HHS on serving several population groups, including public housing residents.

--The School Lunch program and school health programs are examples of service integration which have been in existence for many years.

-- The Even Start Family Literacy program, authorized in 1988, is an example of a single program which, by design, integrates a number of services: adult literacy, parenting training, and developmental preschool training for young children.

--The Departments of Health and Human Services, Labor and Education are actively collaborating in a multi-year training and technical assistance effort (targeted to States and local communities) to implement the Job Opportunities and Basic Skills Training (JOBS) program for AFDC recipients and to combine services to better serve JOBS participants.

--The Interagency Council on the Homeless assesses Federal homeless programs, recommends program improvements, provides technical assistance to State and local organizations, disseminates information and provides a forum in which interagency coordination problems can be aired.

-- A useful strategy to test new approaches to service integration improvements are the use of demonstrations. The Departments of Labor, HHS and Education are currently focusing on joint projects which test new ideas, demonstrate new arrangements of services for at-risk youth and adults, and provide Federal leadership in highlighting critical human resource issues.

Non-legislation actions being pursued

- A great deal more can be accomplished without new legislation. Among the actions which are being pursued are to:

--Build on examples of countless local public and private service delivery agencies who have worked together to integrate services for low-income children and families.

--Make further use of authority already granted by the Social Security Act which provides the Secretary of Health and Human Services broad authority to waive provisions of the AFDC, Medicaid, Child Support Enforcement, and SSI programs in order to demonstrate innovative approaches to service delivery. This authority was used, often in conjunction with similar authority under the Food Stamp Program, to approve many of the State welfare reform demonstrations reviewed by the Interagency Low-Income Opportunity Advisory Board during the prior Administration.

--Improve communication among different federal agencies and disseminate clear information about their programs, the requirements for program eligibility, and the local entities which receive the assistance.

--Undertake outreach efforts to encourage localities to improve local coordination of Federal programs; obtain feedback on what types of service integration is cost-effective to determine what works and doesn't work; and determine whether we need to revise federal regulations, consolidate similar programs, or reconcile program requirements to promote local program coordination.

Proposed legislative actions

The overly categorical program structure of federal assistance makes it extremely difficult to integrate services at the delivery level. The Federal, State, and local social service delivery systems are still highly fragmented even after experiments with service integration for a number of years. For this reason, a number of legislative initiatives have been proposed:

--The Administration-proposed JTPA amendments would further strengthen coordination among various training and education programs. They would establish specific requirements for linkages with other programs and establish a new State Human Resource Investment Council to oversee State-level coordination of federally funded human resource programs.

--As part of the America 2000 legislative package which the President recently submitted to the Congress, the Secretary of Education is authorized to grant waivers to sections of regulations. This will permit Governors, State and local educational agencies, and other service providers to improve the performance of schools and programs. This improvement should be achieved by allowing them more flexibility in the use and control of resources, while holding them responsible for achieving specific educational goals.

--HHS Secretary Sullivan, transmitted "The Community Opportunity Act of 1991" to the House on May 3, 1991. This Act will enable communities to demonstrate innovative systems to increase the economic opportunities for their low-income residents. It authorizes the waiver of Federal statutory and regulatory requirements which impede implementation of such integrated systems in selected areas. The passage of this act will remove regulatory barriers to service integration at the delivery level.

--The Administration has proposed the passage of Enterprise Zone legislation for many years. It would encourage localities to make use of Federal and local programs in an integrated fashion in selected high poverty and high unemployment neighborhoods. The potential exists for matching human resource development efforts in the selected zones with new jobs created by means of tax incentives. Such a coordinated effort could be undertaken as part of the local "Course of Action" required as a condition of designation under the act.

--The Administration has proposed full funding of the HOPE program administered by HUD to provide an opportunity for service integration in public and assisted housing projects. This would empower many poor tenants to achieve self-sufficiency and become homeowners.

--The Administration has proposed the consolidation of various McKinney Act homeless programs into a more flexible integrated Supplemental Assistance for Facilities to Assist the Homeless Program (SAFAH) to be funded with $57 million for FY 1992. Funds can be used for anything that is needed to help move persons out of homelessness--job training, adult education literacy programs, mental health treatment, and substance abuse counseling. Six programs administered by four agencies covering these various subtopics were consolidated and multi-year funding provided.

2. **You suggest that service integration should be focused on well defined target groups and that reform should be pursued within categorical program areas. Please give some examples of the kinds of target groups the Task Force feels to be most in need of integrated services and the kinds of categorical program areas most amenable to integration.**

- The Task Force has concentrated much of its attention on low-income children, youth and families. We have identified at least 80 federal programs which target resources at this population. We are currently pulling together systematic information on these programs in order to help us identify opportunities for service integration. This information should also be helpful to State and local governments.

- One type of initiative is of particular interest to the Department of Education. It extends learning time for low-income children by providing services in quality supervised after-school programs located at public housing projects. These services include tutoring, recreation, and mentoring.

- An area of emphasis at HUD and SBA has been to increase minority entrepreneurship, particularly in distressed areas. SBA provides assistance to businesses owned and controlled by socially and economically disadvantaged individuals, veterans, victims of disasters, women and others located in urban and rural areas of high unemployment and low income. All of these categories of business owners could serve as "target groups" in an integrated effort at economic empowerment. Similarly, proposed Enterprise Zone legislation focuses on areas of high poverty and unemployment. Thus, integrated services may be targeted on either distressed areas or individuals facing multiple problems.

- Two groups currently receiving priority attention at HUD are residents of public and assisted housing and homeless mentally ill persons. Homeless families with young children have been the focus of the Supportive Housing Program and in many local homeless programs. Both housing and social services to provide economic empowerment for these groups are priority concerns.

- The JTPA amendments cited above which have recently been transmitted to Congress seek to refine the program by targeting services to youth and adults most at risk of failure in the job market.

- Other possible target groups for service integration are the frail elderly, Indians on reservations with high alcoholism and unemployment, minority males in concentrated low-income and high-crime areas, and persons with disabilities.

- The type of services many of these groups need include education, employment and job training, health care, housing child care, transportation and other supportive services. Each group needs a different mix of programs and provide different opportunities for improved program coordination.

3. **To what extent will the Task Force seek the guidance and input of those serviced by public assistance programs to determine its recommendations and actions for improving program integration?**

- The Task Force has met with local groups with service integration programs from Cincinnati and Memphis. HHS has done a considerable amount of field work on this issue, involving local agencies and the clients of service integration.

- HUD has had considerable experience in working with tenant management groups to improve service integration in public housing. It is making a concerted effort to encourage tenant-run public housing which would be directly involved with integrated services as part of a program to achieve Family Self-sufficiency. Beginning in 1993, local Public Housing Authorities must have a program to provide comprehensive support services for families electing to participate in the program.

- It is important that any efforts to improve service integration be responsive to recommendations and input from a variety of sources, including State and local government agencies, community-based organizations, business, organized labor and the clients toward which the services are directed.

- There have been a number of local efforts to ask clients of public assistance programs about priorities for services. Either formal surveys have been used (for example, in the San Diego "New Beginnings" project) or in planning meetings (for example, in a multi-service initiative undertaken by the Omaha Housing Authority). A new American Indian magnet school in Minneapolis, scheduled to open this fall will integrate a number of services into the school. It was designed largely according to the expressed views of parents and the community on what they would want in a school.

- The Task Force believes that what distinguishes its efforts from past service integration efforts is the premise that the purposes of any integrated service system should be to enable individuals and families to exercise choice and control over the services and benefits they need to become economically self-sufficient. Thus, by its very nature, service integration is an instrument involving the clients which it serves.

4. **Experience with a number of programs--WIC, for example--has shown us that up-front investment can save us money in the long run. According to some analyses, there can be substantial costs associated with program integration. To what extent have these projected costs deterred the granting of waivers for State integration efforts?**

- It is not clear whether increased start-up costs in service integration is a factor retarding service integration. A more important factor may be bureaucratic resistance to change and a reluctance of local agencies with narrow professional focuses to give up control and autonomy in a genuine integrated service effort. More data is needed to determine short-term and long-term costs and benefits.

- Initial start-up costs for service integration may be higher, according to a study recently completed for the Departments of Education and Health and Human Services, "Service Integration for At-Risk Children: a framework for Research" by Robert Morrill and Elizabeth Reisner. The most important categories in which increased costs are likely to be incurred are in interagency planning, staff training, site modification, and possibly, changes in record-keeping systems.

- These costs will decrease over time, however, and it is possible that increased efficiency and the elimination of duplication of effort may actually result in lower costs for a whole package of services. On the other hand, if improved access results in a larger number of clients applying for and receiving benefits, the larger caseload could mean somewhat higher long-term costs.

- To the extent that service integration initiatives fulfill their goal of treating clients holistically and solving more of their problems, the long-run cost savings to society could be substantial. These savings could include potential decreases in AFDC and other public assistance programs, lower unemployment compensation payments, lower costs for criminal justice, and a decrease in low-birth weight babies with resulting lower future health care and special education costs.

- In the context of achieving more conformity between the Food Stamp (FSP) and Aid for Families with Dependent Children (AFDC) programs, cost has not been a deterrent to the Food and Nutrition Service (FNS). For the most part, FSP rules are more generous than AFDC rules. However, AFDC would face significant cost increases if it were to conform more closely with FSP.

- One condition for approval of waivers of provisions of openended entitlement programs such as AFDC and Medicaid is that costs to the Federal government be no higher, on an annual basis, than they would have been in the absence of the demonstration using the waiver. A wide variety of demonstrations have been approved that met this condition. Examples are:

--Under the Home and Community Based Services Waiver program, HHS has granted over 250 Medicaid waivers to demonstrate alternatives to nursing homes and other similar institutions for the frail elderly and for persons with developmental disabilities.

--The 16 demonstrations approved under the aegis of the Interagency Low Income Opportunity Advisory Board met the criteria of no net cost increase on an annual basis. The States were allowed to calculate cost neutrality across all involved federal programs. In this way, increased costs in one program could be offset by savings in another.

5. **What is the Task Force position on cashing out all public assistance programs and replacing them with a cash family living allowance that reflected actual living expenses (i.e. food, shelter, clothing) in each State?**

- The Task Force would entertain demonstration proposals from States with an interest in cashing out and consolidating existing public assistance programs. The Family Independence Program in Washington State and Avenues to Self-Sufficiency Through Employment and Training Services (ASSETS) program in Alabama are examples of such efforts approved under the Interagency Low Income Opportunity Advisory Board.

- There is a danger, however, that full consolidation of benefits could resemble a negative income tax which has been tried in a number of States. According to a review of the literature undertaken by the Interagency Low Income Opportunity Advisory Board in 1988, the results of these experiments show a significant reduction in work effort, though this varies substantially by age, race, and sex. Higher benefits reduce the earnings and self-support of the poor.

- According to the report by the HHS Inspector General, "Service Integration for Families and Children in Crisis" (January 1991), an interesting effort at consolidation of benefits was the Iowa Decategorization demonstration project. The legislature authorized two counties (Polk and Scott) to combine the moneys from 32 separate funding streams into a single Child Welfare Fund. By lifting categorical requirements on how money can be spent, the pooled resources allow local child welfare committees greater discretion as to which services they can provide. (p. A-14)

- We are also interested in the use of Electronic Benefit Transfer (EBT) as a means for pulling together cash assistance, voucher programs (i.e. food stamps, housing vouchers), and service programs at the delivery level. This enables clients to access benefits and services through the use of automatic teller machine (ATM) or debit card technology. One virtue of this approach is that it reduces the risk of women receiving public assistance from being robbed or beaten to obtain cash assistance receipts.

- The Food and Nutrition Service (FNS) is currently undertaking cash-out demonstrations designed to provide policy makers with additional information on the consequence of converting in-kind food benefits to cash. The demonstrations should substantially enhance existing knowledge by covering different population groups and geographic areas. Rigorous evaluations will address the effects of cash-out on: (1) household expenditures; (2) household food consumption; (3) individual dietary intake; (4) program participation; (5) administrative costs; (6) recipient, administrator and public opinion. The agency is looking at a variety of alternatives, including EBT, each with its own strengths and weaknesses.

6. **Based on your experience in evaluating various demonstration projects designed to enhance coordination and to assist clients in their efforts to become self-sufficient, do you have any recommendations regarding the types of projects that have been particularly successful in achieving these goals and that Congress needs to consider duplication on a wider scale?**

- Evaluations of demonstrations approved under the Interagency Low Income Opportunity Advisory Board are in process. Until the evaluations of these projects are completed, it is difficult to determine which initiatives should be replicated.

- Head Start is a good example of a successful demonstration program designed to deliver comprehensive services to low-income preschool children and their families.

- There are a number of successful service integration models at the Department of Labor. Among them are the Youth Opportunities Unlimited (YOU) Demonstration which will be expanded to 25 sites throughout the country; the Summer Training Education Program (STEP) that has been replicated in 14 States and 73 sites, and JOBSTART.

- Research on existing service integration linkages give us some ideas of what makes projects successful, among which are the following:

  --Successful initiatives require substantial advance planning--not less than six months and possibly as much as two years.

  --While outside funding is often needed for successful start-up, funds for on-going operations should be committed from regular service provider budgets.

  --Common client assessment and intake procedures as well as means for dealing with the confidentiality issue are important.

- One component of successful coordination appearing in many programs is case management. Case management is proving to be a promising tool for program planners to ensure that clients are receiving the individualized attention and service they need to achieve the goal of self-sufficiency.

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